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Customer Experience Marketing

Concepts and Tools

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<p>This work studies what Customer Experience Management (CEM) is and how it can be implemented in modern marketing with an emphasis on B2C. This work takes a look into the concepts which are needed to achieve a versatile CEM approach. The tools and technologies that are needed to operate the CEM concept are also evaluated.</p> <p>This thesis explains that a Customer Experience Management strategy consists of a certain combination of concepts. These concepts usually include customer data, data-driven decision making, analytics, content strategy and the use of social media. This thesis explores the right kind of technology that is needed to make the CEM concepts to work in practice. There are plenty of tools and technology to choose from to make a CEM strategy work. There is not one single tool on the market that provides an easy solution that can cover all the needs for a CEM strategy. The background systems of the organisation bring its own challenges when integrations have to be made with CEM tools.</p> <p>It seems to be quite hard to get started with CEM. Typical reasons for this are the complexity of the subject, the lack of knowledge in organisations and the varying use of terminology. The fast changing technology – especially regarding marketing – places great challenges on organisations. A CEM strategy can be implemented successfully when an organisation chooses the right technology platforms to support the chosen concepts. Without proper integrations with the backend systems of the organization, a CEM strategy might not be executed to its full potential considering the needs of the whole organization. For CEM success it is vital to get the top management to understand and commit to the CEM strategy.</p> <p>This thesis also provides facts and recommendations on what to take into consideration when choosing concepts and technology to make a CEM strategy work. Setting up a CEM strategy can be very complex but it does not always have to be. Therefore, this thesis describes two use cases, which shows how to get started by using segmentation, analytics and simple marketing automation.</p>	
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<p>Opinnäytetyössä tutkittiin, mitä asiakaskokemuksen hallinta on ja miten sitä voidaan soveltaa nykypäivän markkinoinnin tarpeisiin, jossa pääpaino on kuluttaja-asiakkaissa. Työssä tutkittiin, mitkä konseptit ovat välttämättömiä monipuolisen asiakaskokemuksen hallinnan saavuttamisessa. Työssä tutkittiin myös, mitä teknologioita ja työkaluja tarvitaan asiakaskokemuksen hallinnan toimeenpanon kannalta.</p> <p>Asiakaskokemuksen hallinta ei ole käsitteenä uusi, mutta se on saavuttanut uuden suosion viime vuosina digitalisoituneen liiketoiminnan ja varsinkin markkinoinnin myötä. Asiakkaat ovat nykyään jatkuvasti läsnä online-kanavissa, ja he käyttävät hyvin monipuolisesti eri kanavia, jotka sopivat heille parhaiten kuhunkin hetkeen ja tarpeeseen. He käyttävät myös useita eri laitteita ja sovelluksia. Yrityksien on vastattava tähän uuteen monimutkaiseen tarpeeseen ja tavoitettava asiakkaat heidän suosimissaan kanavissa yhtenäisellä lähestymistavalla. Asiakaskokemuksen hallinta on strategia, jonka avulla tätä voidaan tehdä järjestelmällisesti ja yhtenäisesti tavalla, jolla koko organisaatio on hankkeessa mukana.</p> <p>Opinnäytetyössä suositellaan myös, mitä täytyy huomioida, kun tehdään toimivat teknologiavalinnat asiakaskokemuksen hallinnan strategian suhteen. Asiakaskokemuksen hallinnan strategia voi olla monimutkaista, mutta sen voi myös aloittaa suhteellisen kevyesti. Siksi työhön koottiin kaksi käyttötapausta, joissa osoitetaan, miten alkuun pääse pienillä panostuksilla käyttämällä segmentointia, analytiikkaa ja kevyttä markkinoinnin automaatiota.</p>	
Avainsanat	Asiakaskokemuksen hallinta, markkinoinnin automaatio, segmentointi, analytiikka, digitalisoitunut liiketoiminta

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1 Introduction

The purpose of this thesis is to study what Customer Experience Management (CEM) is about. I am focusing on a Business to Consumer (B2C) digital marketing perspective since it is the field where most of the innovation and new technologies regarding CEM emerge at the moment. Therefore I have excluded CEM concepts which involve customer service and sales aspects. It depends on the organisation how they define CEM according to their needs and what aspects of it will be used.

I am taking a closer look at the concepts and tools that are considered when talking about CEM. I am also taking a short look at the history of CEM and why it is important to understand why Customer Relationship Management (CRM) is a foundation for CEM.

There seems to be some confusion regarding the terminology behind the different terms used in contemporary and future marketing technology solutions and concepts. Therefore I am trying to cover the most commonly used terms in the context of the topic that is discussed.

Customer Experience Management is about using processes and technology to track customers through as many touchpoints as possible. The goal is to provide users with an optimal customer journey and a unified experience through all the different channels customers might interact with an organisation.

As mentioned, it is not just about the tools but also about other aspects of different processes in how to reach and communicate with the customer through different media and methods. I will go through these in chapter two.

The technologies used to get CEM working usually include a CRM as a foundation used in combination with marketing automation tools. The concepts that are used to get the right content to the right customers from a marketing perspective are usually data from various sources, analytics tools, segmentation, content marketing and social CRM.

Organisations usually have a Customer Relationship Management (CRM) system in place, but it is often not used to its full potential in terms of a two-way conversation with the organisation's customers especially from a marketing perspective. This is due to a lot of factors but mainly it seems like a conventional CRM is an endeavour handled by the IT department and used in a traditional way by the organisation's sales department and by the customer service. If it is used by the marketing department, it is mainly for B2B purposes.

A lot of times the marketing department is not using the full potential of the CRM. This is often because marketing and IT departments are not on the same level regarding each other's areas of expertise or there simply is not the know-how in the organisation about how a CEM strategy and marketing efforts should be taken into consideration on technical platforms such as a CRM and about how CEM should be utilised in a connected digital world.

Quite often a deep understanding about the concepts of Customer Experience Management and marketing automation is missing in organisations. Mostly this is due to not having the employees with the right profile, high costs and the lack of time to start planning for CEM. It is also quite a confusing topic with a lot of different terms that have technical rings to them. A lot of the terms are confusing and they are not really standardised in the business. It can be difficult even for a seasoned expert in the field to always keep track of how a special term is used in different contexts.

This study defines and explains the terms, technologies, concepts, tools and best practices to achieve CEM. I am trying to keep the focus on the needs of modern marketing, but keeping it fresh by focusing more on B2C marketing than B2B which has been more commonly practiced in marketing and CEM.

Sometimes concepts might overlap which is due to literature sources and the way definitions and concepts have been defined by the writers. I am trying to define and use the most common terms and keep it clear what is meant with each specific term in relation to the context.

As with all technology, software and related concepts, especially the ones that are connected with external social media platforms, the research material can become outdated in some subjects quite fast. This study focuses on the current concepts with a short look at history, presenting findings and insights that describe the future reliably. The study also focuses on what should be taken into consideration when making decisions about how to setup and organise Customer Experience Management efforts in contemporary marketing.

The topics in this study have a focus on digital platforms and online channels. The study takes a deeper look at what can be done with digital solutions in order to create the best possible customer experience. What is also looked at is how organisations can use the information from different data sources to gain business advantage.

2 Customer Experience Management Landscape

In this chapter I am describing elements that are essential for modern, contemporary digital marketing and moving beyond a traditional CRM approach to cover concepts that digital marketing is going to be built on in the near future. This approach is called Customer Experience Management.

2.1 Customer Experience Management

Customer Experience Management (CEM or CX) might seem like a new thing since it is mentioned so often when talking about modern digital marketing. CEM is really as old as retail; only the methods how to practice it have changed. Companies have grown renewed interest in CEM out of necessity. The customers today are scattered on a multitude of different channels. Especially social media is putting the customers in the driver's seat and making them in charge of the conversation. The technology right now is making it also possible to reach the individual customers at different touchpoints. (Baker 2011)

Customer Experience Management is a set of processes and tools that an organisation is using to track interactions between its customers in the different touchpoints throughout the entire customer lifecycle with a focus on optimising customer loyalty (Rouse 2010).

Therefore businesses have to move beyond traditional CRM approaches where the dialogue between the company and the customer was basically a one-way dialog from the company to the customer.

CEM is not just about a software upgrade where the CRM gets a facelift. According to Anandan Jayaraman "CEM is a 'set of applications and methods that turn visibility of each and every customer's experience over time and across all moments of interaction, into tangible business advantage'". (Baker 2011)

Ways of tracking the customer through different touchpoints exists today but too often the data is buried in silos and therefore it is hard to form an understanding of the customer (Baker 2011).

With the CEM concept and tools it is possible to track the customer's life cycle and react appropriately to the data in a profitable way. CEM requires real-time decision making technologies across all channels, including websites, social media, customer service, and in-store to optimise the interaction moments at different touchpoints. (Baker 2011)

CEM is a concept and a set of marketing technology tools that have slowly evolved from the needs of the modern digital and online ecosphere where the customer has a multitude of touch points reaching and interacting with an organisation. With all the different social media channels, the consumer can make her voice heard and the organisations cannot control what is been said about them the way they used to when a customer's only way to communicate with a company basically was to contact the customer service in a 1-to-1 conversation without significant ripple effects.

There are many acronyms associated with CEM such as CXM, CX, CRM 2.0 and cCRM (connected CRM) just to mention a few, and there seem to be even more definitions depending on who is talking about the subject. Some say CEM is just a development step in the evolution of the classic CRM, some say CEM is a new philosophy. In this thesis I am approaching CEM as a concept with a set of tools that expands and complements the traditional CRM with new marketing technology tools.

As mentioned earlier, today the amount of digital data that can be collected online just keeps on growing and companies can create a much more holistic picture of the consumer and can as a result provide more individualised services, products and content. The digital touch points can be emails, forms on a website, IP-addresses, analytics programmes, cookies, signals from social media touch points and perhaps information from an app that is provided to the interest peer, individual mobile devices (based on its ID), IoT devices and maybe even large retailers (such as Amazon and eBay) can share their customer data to third parties. These present and future digital channels

create huge possibilities to recognise, profile and address customers individually at a massive scale and also get more detailed information for product development, service and content production than ever before. (Williams 2014: 10.)

The foundation for managing a profitable business is caring about your customers and their journey with your brand and putting the consumer first. There is more data available than ever for both consumers and decisions makers. By utilising that information in decision making, companies can get happy customers and longer customer relationships and provide better service. (Fonecta 2014.)

This is not the same as believing the customers are loyal to the brand, it is about understanding your customers, their background, needs and motives by analysing, enriching and refining the data and thus being present at the right place at the right time with the right message.

Decision makers in marketing wants to move towards marketing that interacts and has a dialogue with the consumers as well as implementing service design when developing customer experience at the early phases of product design and innovation (Fonecta 2014).

Some of the most common challenges to achieve these targets are:

- Marketeers do not know the complexity of digital marketing.
- Digital marketing is still being seeing as a separate form of campaigning.
- The management does not understand enough of the possibilities and requirements of digital marketing.
- Facts from analytics are not being used to their fullest in the business management because they don't know what can be utilised.
- Marketing and IT are operating as separate functions.
- Statistics and analytics in this field are experienced as difficult.

(Fonecta 2014)

Today the data is a two-way street where organisations can get more detailed information about their customers but also the customer can get information about the

company's brand, products and reputation from multiple channels. It can be recommendations, experiences, reviews from bloggers, review websites and of course information from social media channels where the opinion of your peers can have an enormous weight on the purchase decision (Williams 2014: 9).

In the era of the connected customer with a direct-to-customer approach, big data and digital media customer relationship marketing is at a breakpoint for marketing and digital communication. According to David S. Williams three key trends are evident in the way digital marketing is used today: "the digitization of media and channels, the proliferation of social media networks at scale and the mobility of available media and channels". This is the way marketers can gain a competitive position and differentiation. (Williams 2014: 15.)

With the digitization of media and channels the touch points for brand to consumers, consumer to brand and consumer to consumer interaction are numerous and can be very fragmented. The amount of data however gives numerous ways of analysing and targeting possibilities. With digital media and online channels it is possible to reach large masses with very targeted messages (Williams 2014: 16). However, because the digital footprint can be so fragmented, it can seem scary, exhausting and daunting to initiate a one-to-one digital marketing concept.

As Williams describes, it is much harder to spend the marketing budget on digital media than traditional media. "If I put it in the context of conventional media, within 48 hours I can fairly easily figure out how to spend \$100 million on television advertising. I'd have a much more difficult time deciding how to allocate a \$100 million budget in digital with individual consumer touches. It boils down to "macro-scale" versus "micro-scale". (Williams 2014: 24.)

Being in a continuous interaction with the consumers can provide fast and accurate information in comparison to occasional quantitative surveys and focus groups (Baran & Galka 2013: 15). Companies can quickly intercept and gain an understanding about what the customers are really saying about the product or service.

2.2 Multi-channel and Multi-device Marketing

Consumers already know that they can interact via multiple channels, that they can do it when it suits them the best and that they can do it with the device that is right for that moment. According to a recent report by Mackinsey & Company, multichannel marketing usually (depending on the channel and business) reduces costs and multiplies conversions (Baran & Galka 2013: 18).

To succeed in Customer Experience Management it is important to understand some core concepts:

1. Metrics:

Set metrics and Key Performance Indicators (KPI) to what really matters (Petersen et al. 2014: 10) but do not forget to match them to the KPI's to match the organisations strategic and marketing objectives.

2. Segmentation

Segmentation is key in targeting and understanding the customer. Segments can be divided initially into simple follower types: active, non-active, occasional, listener. Besides improving targeting, segmentation is a way to stay on course regarding customer's interests and preferences.

3. Customer Life Cycle Engagement:

Instead of focusing getting the customer to the end of the sales funnel and to complete a conversion, the key is to build an understanding about how the customers move through the different touchpoints (Petersen et al. 2014: 10).

Examples of different stages in a customer lifetime cycle can be:

1. Decision journey

In the decision journey the customer goes through the different stages until the purchase decision is made. This can consist of need, awareness, research, compare, decide and finally purchase.

2. Educate

Here the main goal is to raise awareness of how the product or service works and what the benefits are by building knowledge.

3. Use

This phase focuses on after the purchase has been made. The customer should be informed with useful tips, best practices and how to get the most out of the product or service.

4. Share

Here the customers should be encouraged to share their hopefully positive experience with the product or service to their peers.

(Petersen et al. 2014: 10-13.)

4. Contextualisation

Contextualisation means that the customer experience the customer has in the different touchpoints and channels should be consistent and coherent (Petersen et al. 2014: 13).

5. Organisational Buy-In

For all of this to succeed you have to have motivated key executives on board. To maintain the interest and motivation in the organization, it is important to start with the easy wins from where you can draw some data to learn and move on to the next steps (Petersen et al. 2014: 13).

6. Go agile in the marketing

In digital marketing, new trends, platforms, technologies and innovations emerge all the time (Petersen et al. 2014: 14). Therefore every organisation should have processes for how to follow these trends and plan how to implement these for the best result when encountering with the customers.

2.3 History and Concept of CRM

To understand CEM, it is necessary to take a look into the concept of CRM since it is the foundation and the philosophy from where CEM has evolved. CRM is still one of the cornerstones when building a successful and working CEM strategy.

“CRM 1.0” was quite focused on software and technology needed to handle customer relationships. The next step in the CRM evolution is called CRM 2.0 by Williams. This is more about a holistic experience for the customer. (Williams 2014: viii.) At the beginning of CRM only names and addresses of customers and prospects were collected to send them printed mail. With the telemarketing also phone numbers were collected for direct contact via telephone. (Williams 2014: 6.) Then email came along and the spamming started but also the possibility to send out segmented or even personalised emails.

So if there is CRM and it has been around for such a long time, how is Customer Experience Management different then? The use of the terms seems to vary depending on the person who is debating about the subject. However, there seems to be some kind of a consensus that CRM is often a very technical tool, implemented and hosted by the IT department. It is used to maintain, handle and control customer data in organisations. It is often forgotten to be implemented in the corporate brand strategy and used accordingly. It is mostly a tool for the B2B sales department and the customer service. A CRM is needed as a core function for a CEM concept to store all the necessary customer information. With analytics and marketing automation features, a CRM is enhanced as a tool to work with the different concepts that are a part of CEM. The most important of those concepts are explained in this chapter.

David S. Williams describes the transition as an evolvement from CRM 1.0, which was heavily focused on software and technology to CRM 2.0, which is more about the customer experience concept and having a direct 1-to-1 dialogue with your customers, maximising the lifetime value and optimising the return on your investment and marketing spend (Williams 2014: vii).

Today the amount of data from various digital sources is becoming overwhelming and organisations are having harder times knowing how to utilise even a piece of all the

data streaming in. These sources include a multitude of social media channels, analysing tools, web site user data, cookies, IP addresses, form data, app data, and email marketing data. With all of this vast amount of data we can gain a broader view of the customer which can be turned into more targeted communication like the old classic phrase states: to the right customer, with the right message, at the right time, via the right channel(s).

Communication works both ways in today's digital landscape, since the customer has insight into a lot of data about the company which the company can't necessary control. This usually includes good and bad reviews, sharing experiences and comments on social media. (Williams 2014: 9.)

It is of course about building good and close relations to your customers. Even the early merchants were aware of the fact that you have to serve your customers well in order to make them come back for more and keep your business up and running.

From the Mad Men era to the early 1980s advertising was usually based on creating a marketing mix for the consumer using Kotler's famous four P's: product, place, promotion and price. The same marketing message was usually blasted repeatedly via mass media such as TV and radio to everyone. (Baran & Galka 2013: 23.)

In the 1980s companies began to focus on continuous customer relationships by increased commitment by customer retention, customer lifetime value (CLV) and greater share of wallet (Baran & Galka 2013: 26). It still was mainly about collecting names and addresses to send out printed advertising, evolving to collecting telephone numbers of customers and prospects and of course emails at one point (Williams 2014: 6).

The development of the information technology and relational databases made it possible for companies to store more detailed information about their customers. Also marketing theorists began emphasising the need for customer loyalty and retention programs.

The amount of online digital data that can be collected just keeps on growing as the consumer has more online touch points, which leaves a digital trace. We have emails, IP-addresses, cookies, analytics software and traces from social media. which can be collected into a system and used to get a better picture and provide a higher level of personalised experience for the consumer (Williams 2014: 6). This is where the traditional concept of the CRM evolves and that is something we are going to look into in this study.

There are numerous definitions of what CRM is but here is one from Baran & Galka: CRM makes it possible for companies to differentiate themselves from their competitors in an area that cannot be easily copied, since CRM has its roots in organisational culture. (Baran & Galka, 2013: 10)

A CRM should do three things well: collect customer data from different touch points, store the data with easy access, analyse and deliver understandable information based on the data. (Baran & Galka: 2013: 11.)

A CRM should be used to measure your sales activities, track your customer interaction, follow up with your customers and provide all customer data in one place and save time and effort for better productivity (Zoho 2013).

Usually a CRM system has the following components: a warehouse that contains the data so that strategic decisions can be made, analytical tools for identifying consumer behavior, campaign management tool for efficient marketing communications evaluation and database interfaces for maintenance. (Baran & Galka, 2013: 6.)

A CRM is not just a database tool for storing the company's contacts. A CRM can also be connected to other important data sources in a company such as finance, accounting and the warehouse. Some examples of data are stored in the CRM, such as customer, contract, sales, transaction and channel data. Other examples of touchpoints where the data usually comes from are emails, web forms, phone calls, social media and in-person inquiries.

A CRM is needed to gather long term understanding about a company's customers. The more information an organisation has about its consumers within a longer time frame, the better decisions and evaluations can be made to support business objectives and evaluate the Customer Lifetime Value (CLV).

The purpose is not only to retain and please customers but to get an understanding about which customers are the most profitable ones to retain and please (Baran & Gal-ka 2013: 10).

Baran and Galka define the ten key marketing functions for a CRM system as:

- Identifying prospects
- Acquiring customers
- Developing customers
- Cross-selling
- Up-selling
- Managing migration
- Servicing
- Retaining
- Increasing loyalty
- Winning back defectors

(Baran & Galka 2013: 12.)

For a company to create a successful CRM strategy and gain a competitive advantage depends on the company's ability to create carefully and well planned marketing strategies (Baran & Galka 2013: 13).

Since CRM tools and systems are evolving right now to also include tools based on the Customer Experience Management (CEM) concept with marketing automation features and advanced analytics, this study is trying to keep the traditional concept about what a CRM is separated from the CEM concept. I feel that at the advent of these two different abbreviations (CRM and CEM) merging, it is clearer to talk about them separately even though eventually I believe that CRM features will most likely be integrated into the CEM tools.

2.4 Digital Marketing

Digital marketing is a term that holds so much in it. Therefore it is quite impossible to define all of the different aspects to it. One thing is for sure, as long as we have electricity, online and digital marketing is not going to go away and the complexity of tools and channels just keeps on growing and getting more fragmented. Some could even argue if it is even necessary to use the term digital in the context of marketing since marketing is inevitably digital today. We are accustomed to using digital tools and technologies that once were considered new and trendy (email, mobile, social and e-commerce (Brandt 2015)).

Almost everything that is digital can be measured, analysed and quantified. It opens up for complex multi-channel marketing campaigns and strategies but how is the situation in marketing departments today? Are the marketing teams ready for keeping up with constant and fast paced technology and innovations that keep coming up with such a speed that it seems to be overwhelming to handle? (Brandt 2015)

Consumers are already getting used to personalised marketing and therefore they are expecting companies to deliver that to them and it can be an offsetting experience if this is not the case. For digital marketers this is where the concept of Customer Experience Management comes into the picture. With CEM it will be possible to handle and control the customer journey through different touch points in a unanimous way.

I would argue that in many marketing organisations it is an issue that is known but too often marketing professionals are stuck with procedures from the "old days" which were more suitable to planning for non-digital channels. Planning was done up to a year in advance then and it still is done so today in the larger scheme, but effective and successful digital marketing today requires agility (Brandt 2015).

2.5 Marketing Automation

With all the data, the right set of tools and channels taken into use, companies can take an approach that is a coherent and delivers a ubiquitous experience for the cus-

customer to engage with. Marketing automation and CRM is not the same thing but they are complementary approaches and a set of tools that complement each other. As a CRM has been a primarily a tool for sales and customer service, marketing automation is a tool for marketing as the name clearly implies it means that processes can be automated, personalized and executed in real time.

By combining CRM and marketing automation features, we can achieve a functional state for a CEM concept to really work. Because of the numerous touchpoints where customers can be reached on digital channels, with the same message but in different formats, it would be almost impossible to execute a CEM strategy without automated processes.

We live in a more and more shattered marketing environment where the digital channels are more integrated and have larger part of our lives. With digitalisation it is easier and faster for companies to try to connect and understand its customers and their needs.

By understanding more about their customer, companies do not have to rely on buying a lot of traditional mass market media space or rely on the retail chain when trying to reach their customers.



Figure 1. Marketing automation tools on the market 2015. Modified from Marketing Technology Landscape Supergraphic (2015) (Brinker 2015)

Figure 1 above displays Scott Brinker's selection of marketing automation tools. But HubSpot, Pardot (Salesforce), Marketo, Oracle Eloqua, IBM Campaign, Silverpop (an

IBM Company), Adobe Campaign which aren't displayed on this famous map, are all considered as well-known marketing automation tools. This is again proof of the fact that in the marketing technology landscape the usage of terms is basically up to the person talking about a topic.

However, figure 1 also demonstrates how fragmented the marketing technology landscape is and how it requires extensive knowledge both of IT and marketing.

2.6 Data-driven Marketing and Analytics

When it comes to modern marketing, data and analytics are at the very core of it. Without analysing the data from the various sources, the marketing efforts cannot be effectively verified and no real conclusions cannot be made. The data has to be collected centrally to data repositories where different business functions have access to all the data. This higher level of collecting and utilising data is called digital business.

By looking at the most important numbers and KPIs (key performance indicators) constantly, you will start getting a routine and an understanding of which of your efforts is performing and which isn't. The numbers are there to give you answers to what has gone right, what hasn't and to make decisions accordingly.

In customer experience management, data is available at almost every interaction touchpoint with the customer. To execute a successful CEM strategy, the data has to be analysed in order to make qualified decisions. That data is also essential when running the automation processes. Therefore it is important to have a culture, best practices and tools in place in the organization to collect and organise the data.

The more data a company has about its customers, the better it can understand the customer and deliver a coherent customer experience throughout all the different touchpoints using the right targeted content.

By utilising the data, the organisation knows the customers' history and preferences and can thus reach the customers at every touchpoint with the right message at the

right time. The more data the organization has about its customers and if that data is collected and funneled in the right way, the better the organization can handle and enhance the customer experience.

To put it shortly, it is important to collect the data from different sources, avoid having the data in silos, make it available for everyone in the organisation, analyse it frequently and make decisions based on numbers.

Data in the decision making process

With so many different data sources from sales and customer data, social media channels, web analytics, data from Internet Of Things, weather and third party data, it is important for businesses to make sense of it, gain insight in real-time and have a better view of all of that data to make qualified decisions and predictions. Analytics and data must be the foundation of every decision. Insights and data should be the guideline for organisations to become modern, digitalised and insight driven businesses. (Jones & Tolido 2015)

To utilise big data, organisations have to adapt and nurture a culture where insights based on data are a part of everyday routines (Laney 2012).

According to Capgemini, big data is about business disruption with Über and Airbnb as examples of new business opportunities where big data is disrupting traditional markets. Big data can drive businesses to become more cost effective, increase production and revenue and maybe even find new business opportunities. (Jones & Tolido 2015)

Business leaders need to have a solid understanding and business strategy in how they want to achieve this. Agility is a key factor when adapting the use of big data. Every decision should be based on data, not hunches and feelings. To achieve this there has to be relevant data available in real time. The data has to be made available by the right technology and secure the quality with data governance. Big data will become more and more crucial for business to make qualified decisions quickly.

It can be rewarding to collect data from various sources since “dark” under-utilised data can eventually lead to great insights especially when it is connected to external commercial and public data sources and data from social media. It is important to look for insight from data that comes outside the company’s own industry, because there is a lot of potential for business insight (Laney 2012).

Big data can change business processes, infrastructure, organisational processes and economics. It can transform and disrupt businesses completely instead of only adding improvements to existing ones. Big data helps to identify new products, services, markets and opportunities. (Laney 2012)

Companies should recognise the value of data and use it to understand their customers and business better. It is important to realise that the analysed data should not just be about internal data but from external sources such as commercial and social media as well as data from different connected devices. It is about understanding the insight of digital customer experience and what that means for the business and what kind of opportunities and possibilities can be found.

However a lot of companies still do not know how to utilise the data they have. It is because of organisational structures and challenges such as not having enough knowledge on how to start collecting data and not knowing what the collected data should be. Therefore organisations have to hire skilled people and senior management to organise the data. As well as internal, the external relationships cause that the possible data are in silos in the organisations, which makes it hard to get a complete overview and insight of the data. To succeed companies have to break down these silos and make people come across throughout the whole organisation to engage with big data and innovation.

It is not only about the problem of not knowing how to utilise the data, IT infrastructure and its processes are quite often too slow for the demand and changes that are needed in a modern digitalised organisation that needs versatile analytics for decision making and that needs to provide a solid customer experience.

The data and analytics have to be accessible at a faster pace transparently throughout the organisation. There should be an understanding of why data is collected and where and how it is used and how this benefits the business and understanding the customer and thus creating a greater customer experience.

I would suggest to collect as much data as possible rather than too little or nothing at all, even if there aren't clear visions why and how the data should be utilised at the moment. By analysing currently useful data there is always room for epiphany moments where the need for that extra data can be very useful or even a game changer in business opportunity.

Enriching and expanding customer data

Customer data can be enriched in various ways and from different third party sources. Facebook is a good source to enrich customer data and attract new customers by finding similar look-a-like audiences. Also data from third party sources can be used but with careful consideration and caution since it is not consumer data that has signed up via the company's own channels. Done wisely it can be used to attract new customers and add them to the company's database only if the customer from a third party data source wishes to do so. Third party data can be used to reflect a larger data take and make predictions about customer behaviour (Fonecta 2014).

The point and meaning with all the data available is to know the customers and prospects better. By analysing the data and segmenting the customers it is possible to predict actions how to reach the customers in the best way. The better a company knows its customers, the better it can direct the message for the best impact.

The more data there is about a customer from different touchpoints, the better and more accurately the right message can be delivered at the right phase in the customer journey. With the data it is possible to make estimations about what products and services the customer might be interested in. With marketing automation a customer can be reached in the right channel, with the right message based on data from various sources and behaviour. By creating these different automations at different touchpoints

the message becomes more relevant and thus has a larger impact on the customer. (Fonecta 2014)

Data silos

To get started efficiently, as much as possible of the data has to be collected, then cleaned up and after that it has to be unified into one format. The data is usually scattered in different departments around the organisation from various sources and is not presented in a unified format. One customer can exist in several data records. To continuously maintain data integrity there should be a dedicated resource responsible and processes for it (Fonecta 2014).

Third party data can be useful when combined with the company's own data and it can create completely new insight and business opportunity.

Real time data

The near future of big data is about finding the right platforms and tools to utilise the big data. It is also about big data being fast data so information can be accessed in real time for quicker insight and decision making. It is about finding the best customer experience for the end-user. The need for speed in delivering the data can be crucial for success, e.g. cross-selling at online shops.

In CEM, to serve the right customers with the right content at the right time the need for quick data access is essential. Therefore the tools have to perform fast and to be able to analyse data from multiple sources in real time. This sets its own qualifications on the tools and data handling processes on the database.

Analytics and KPIs

There should be a culture to constantly analyse, test and optimise the data. A/B-testing should be something that is done frequently to see what is working better and has a higher conversion rate. Begin with small steps and build on what the tests are

showing to work best. It can be small things that make the difference, such as the colour or the size of a button, in terms of which channel is working best, what topic drives most traffic and what was the ROI. These things can have a huge impact on conversion rates. Highly important is to understand the mechanisms behind the data and figures to make the right conclusions (Fonecta 2014).

2.7 Segmentation

Information about their own customers is the one of the most valuable assets a company can have. There is more data available than ever and the amount of data and sources that can be collected just keeps growing. Constantly updated information about the customers is especially important in B2C since the private customers are moving and changing information and platforms much faster than B2B customers.

To make the messages a company wants to deliver more efficient in CEM, the messages have to be targeted at the right target group. This is why segmentation is essential in a CEM strategy portfolio. The more a company knows about its customers, the better it can deliver and target its messages.

When the customers are segmented it is easier to serve them with more accurate content, information, offers, products and services that is more likely to appeal and convert much better for the company. This is a very important aspect of customer experience management.

To create segments of your consumers isn't anything new in targeted marketing. The way segmentation can work has however changed with the digitalisation. This means that we can create, place and rearrange consumers in correct segments much quicker than before and direct the product, service and content production to meet the consumer's demands and interests.

It is possible to combine segmented information from a Facebook group to your own customer base and combine that with sales information from Amazon to target precisely the customers for your specific products. Technically these kinds of scenarios are

possible, but obstacles in utilising these possibilities can be legal issues and that the companies owning the data do not want to share it.

To understand the customers it is important to get some information about them and their behaviour. Companies can always collect some kind of data and analyse that but to understand the consumers more deeply it requires asking directly the consumers. The consumers aren't giving this information unless they receive something valuable in return. This does not necessarily have to be a monetary reward, consumers can also be approached with valuable and interesting information (Fonecta 2014).

To get the most out of big data it should be connected to external sources to better analyse and understand consumer behaviour (motif, wishes and needs). This can help companies gain valuable insight into how to control marketing expenses, increase profit, make better forecasts and minimise investment risks (Fonecta 2014). It is of course crucially important to get the right and up to date message to customers.

2.8 Content Strategy

In a way content strategy and content marketing is in the very center of Customer Experience Management. Without content the CEM tools would be totally unnecessary. The content is a big part of what defines how the customer experiences a brand or a product. The content is present at so many phases of the customer experience: website, social media channels, email, search engine optimisation and advertising. It is not just digital channels that have to be included in the content strategy process to make it successful. The customer service, in-store and product experiences are important in the process of planning the content.

Joe Pulizzi, who is sometimes described as the godfather of content marketing , <- pilkku defines content marketing as follows:

Content marketing is the marketing and business process for creating and distributing valuable and compelling content to attract, acquire, and engage a clearly defined and understood target audience - with the objective of driving profitable customer action. (Pulizzi 2014: 5)

Here are a few more definitions of what content strategy is:

A content strategy is the high-level vision that guides future content development to deliver against a specific business objective (Smith 2014).

Planning for the creation, delivery, and governance of useful, usable content (Halvorson & Rach 2012: 3).

There are as many definitions for content strategy as there are people defining it. My definition is that content strategy for online is about defining a process to create targeted and interesting content to the customers by continuously analysing the level of engagement and interest and thus creating an interesting customer experience. I believe that there can be more than one content strategy for a company and it can be divided into different phases since creating a content strategy can take some time and probably has to be adjusted along the way. It is not always as easy to tie a content strategy into sales figures as sometimes is required.

Content strategy should always be aligned with your brand message and values. It should also enhance your credibility, stand out from the competition and deliver against your company values and objectives. (Smith 2014).

In content marketing, different channels can and should be included if they are relevant. These can certainly include traditional channels such as print and TV and modern online and digital channels (Pulizzi 2014: 5).

A content marketing strategy is about creating a valuable customer experience and content that is valuable for the customer. The content should be engaging, shareable, focused and making the customers feel that they are finding the products and services on their own initiative. A marketing strategy is also about positioning the company as the leader in its field. (Pulizzi 2014: xvi.)

The days of one-way brand-directed mass advertising are over. Today's consumers are using more channels than ever. Most of the channels are digital and the amount of different channels just keep growing. Especially the younger generation, who is growing into the new consumers, are born into using shattered digital media via different platforms and devices. Therefore the message has to be emotionally easy to connect

with and relate to. Nobody is listening to the mass broadcasted messages, which aren't touching and giving additional value to the consumer (Pulizzi 2014: 6).

Since the customer do not care about you, your products and services, but only about themselves, companies have to create content that consumers actually are interested in and hopefully passionate about so that they actually pay attention to you.

Instead of marketing the products and services, in content marketing companies should focus on communicating with the customers and prospects without selling. With this non-interruption marketing strategy companies are providing content that is informative, engaging and entertaining to build an emotional connection with the consumer. The outcome of providing customers consistently with ongoing quality informative content is hopefully that the customers will reward the company with their loyalty and consuming the products. (Pulizzi 2014: 7.)

It is quite important to create content that is not too generic since usually generic content does not get shared nor does it engage people. Nor does it usually rank well with search engines (Smith 2014).

There are different objectives and goals for content marketing. Usually it is about creating a bigger brand awareness, increasing customer acquisition, generating leads, increasing customer loyalty and reducing customer retention, increasing business thought leadership, increasing engagement, increasing website traffic and last but not least increasing sales.

Organizational Goals for B2B Content Marketing

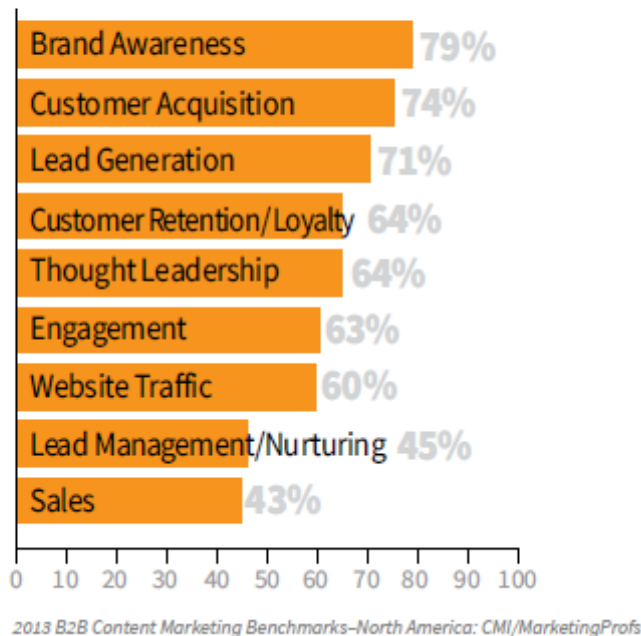


Figure 2. Content marketing goals for organisations. Reprinted from Organizational Goals for B2B Content Marketing (Pulizzi 2014: 30)

As shown in figure 2 content marketing has to have goals why it is done in organisations. The objective of informative, engaging and entertaining content marketing should of course be to drive profitable customer action but in order to do so, with good content marketing companies can catch customers when they aren't ready to buy. (Pulizzi 2014: 30.)

The website as a content hub

The classic website still holds its place in the online world and is an import part of the Customer Experience Management strategy. This is usually the place where most of the content you create and distribute is located. This is also the place where it is possible to track visitors and track their behavior based on the content they are consuming. According to Joe Pulizzi a brand website is the center of gravity for all content strategy (Pulizzi 2014: 8).

According to Kristina Halvorson, the well-known content strategy spokes-person, it is easiest to execute an online content strategy by focusing on the website (Halvorson & Rach 2012: xviii).

The ripple effects of producing good quality content for the web can be seen throughout the whole organization. As Kristina Halvorson says "Once you "get" content strategy for the web, you can easily see its applications across platform and throughout the enterprise" (Halvorson & Rach 2012: xviii).

According to Joe Pulizzi there is only one true approach of owning the content and that is building an own website platform to host it (Pulizzi 2014: 214). Using other platforms is acceptable but it is important to remember that in the end it is out of the company's control what is happening there and who owns the content on the external platforms. The same goes for e-mail marketing, the company owns the contacts, which is not the case regarding followers and fans on other channels.

The website should be a centralised source of content for companies who want to build a structured content strategy. As shown in figure 3, a company should create content that either resides on the company website or at least links back the website to support the CEM strategy. By creating a strong content hub the company also build on search engine reputation which increases search engine ranking and reputation.

Hub & Spoke Publishing

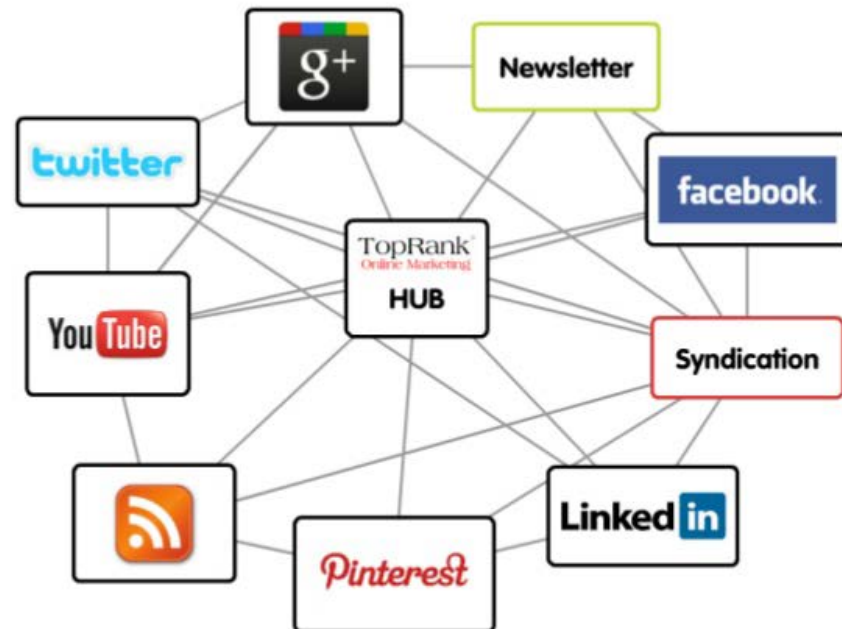


Figure 3. The website as a content hub. Reprinted from Hub & Spoke Publishing (Pulizzi 2014: 216)

2.9 Social CRM

Social media has been an important channel for customer interaction for years already and is still very important, especially with the mobilisation when everyone is connecting themselves to social media channels mainly with mobile devices. It is still crucial for companies to have an active social media presence in its main channels.

With new CEM tools it is possible to integrate social media channels into the CEM process to reach and deliver the company's customer experience also to social media.

Social is more than just Facebook and Twitter. Social media includes blogs, ratings, reviews, chat rooms, forums and advisory boards and is thus a tool far beyond consumers seeking input from family and friends (Williams 2014: 17). Therefore gathering purchase information has changed a lot since the advent of the internet and especially social platforms. It is easy to reach everyone and get the information instantly. The

problem is how to filter all the information which is out there. The same dilemma goes for marketers because of the way the information goes from brand to consumer, consumer to brand and consumer to consumer has changed drastically. Therefore it can be a big struggle to build effective strategies since the possibilities to reach your customer seem endless. (Williams 2014: 17.)

If traditional marketing activities are compared against social media marketing, what is different is that through social media channels there is usually (an) interaction between the company and the consumer.

A/The traditional marketing decision process has been the following: initiating, information search, evaluation, decision making, purchase and usage. Today there is another stage to take into consideration for marketers, the advocacy stage. This is where consumers talk and share their experience around the product or service through different social media channels. (Baran & Galka 2014: 326.)

As the traditional CRM is based on sales, marketing and support, Social CRM (SCRM) is based on interaction and dialogue between the consumer and the company. It is not really a CRM tool but more of a strategy that is supported by various software and tools. SCRM also means different things for different organisations depending on approach and strategy.

Social CRM is about listening, monitoring, reacting, customer service, communications, marketing and, a lot of things but mostly there is a constant dialogue that goes on 24/7. For businesses it is about recognising that instead of managing the communication towards the customer, it is about facilitating a collaborative dialogue that is valued by the consumers.

Interacting via social media has become an increasingly important channel for marketing to reach, communicate and acquire new prospects and customers. With social media a lot of new marketing possibilities and opportunities have arisen (Baran & Galka 2014: 326). It is not just about reaching and interacting with a single customer but

also about collaborating with large masses. Therefore CRM has become extended with Social CRM to fill the need for this.

Strategy

A company has to decide if they are participating passively or actively in conversations around them. Most larger companies and organisations are today actively participating and leading the conversation around them since no matter if the organisation is present on the social media channels there will be discussion about the companies. To be present on social media requires a well thought out communications strategy, business objectives, transparency, and tone of voice. Moreover, customer support has to be taken into consideration.

Despite a lot of companies have social media strategies, a few have Social CRM strategies (Baran & Galka 2014: 326). It is not just about having social media channel monitoring in place but also about how to utilise and analyse it and eventually combine it with CRM data. Many companies have some kind of a CRM system in place but they are still based on a traditional sales approach. It is not until recently that CRM connected tools aimed for social media channels with marketing automation and that integration possibilities reached the market. Quite often in the companies the decision makers and the staff have a vague understanding about what could be needed but not a clear picture about how to proceed when upgrading the current tools, processes and concepts. Lately there have been debates that companies should have a chief marketing technologist or Chief Digital Officer who is focusing on these technologies from a marketing point of view in close collaboration with IT and other departments.

Social media data

It will become really interesting for marketers when the very detailed profile data of the different social media channels can be used to get information about the company's customer and especially about the prospects to enhance the customer experience. Now there are still some technical hinders between different tools, platforms and pro-

viders. Legal regulations are a big concern regarding how detailed data can be used to identify the consumer.

2.10 Future of CEM

According to Williams the next generation of marketers will shift from the traditional brand and direct marketers to platform marketers (Williams 2014: 10) where competence and understanding of the different digital channels are vital for an organisation to stay ahead with a competitive edge.

The terms CRM or CEM might not be used actively anymore in a few years and we might have new terms to describe the vast technologies and concepts that are included. Or alternatively as all the other acronyms mentioned in this study, they might get incorporated under CRM as an umbrella term.

However, it is quite certain that the technologies around CRM and CEM keep evolving with a faster pace than during the early days of CRM in the 90's.

Technology will soon add new challenges to CEM. The Internet of Things or M2M (machine 2 machine) technology and applications are already on the market but they will for sure change marketing when also things and devices are connected with each other, not just people who are getting more connected with marketing technologies. Marketers will have to take smart devices and machines into consideration when approaching consumers with marketing messages. This will affect the CEM concepts and technology platforms that connect the consumers at every touchpoint.

RFID (Radio Frequency Identification) and NFC (Near Field Communication) are technologies which can be used to track objects from a distance which means that the reading device does not have to be tethered with the object sending the signal. There are already RFID CRM applications on the market that have been used in warehouse inventories, operations and supply management. In B2C marketing, consumer goods are probably the next step where RFID is going to be used. This can be that consum-

ers and their behaviour is tracked with wearables and on site e.g. in department stores.

3 Customer Experience Management tools

The technology and social media is developing at a very fast pace. Customers can change the media landscape by taking new services and tools into use very quickly. This challenges the way companies are creating digital business strategies and a corporate culture that utilises CEM.

Customers have more influence than ever, they are also consuming and creating content that companies have to control and access somehow. Customers are a part of the New Product Development (NPD) process and in the best case valuable brand ambassadors. CEM is an approach to achieve this two-way communication with the customers.. (Fonecta 2014)

It is nothing new that companies are putting more and more of the marketing efforts and money into digital channels and especially social media channels are really challenging the traditional channels for the consumer's attention and money. The technology is also changing the way consumers connect with media. With mobile phones and tablets consumers are constantly connected to the internet through a variety of channels. Even while watching TV the consumers are using their mobile phones and tablets at the same time. This means that marketers have to reach consumers efficiently on the different channels with the right message at the right time. This is where marketing automation comes into the picture in the ways it allows marketers to target customers with relevant and personified content. It is important to remember to use an ethical and respectful approach when targeting customers. If the customers feel the message resonates to their needs and interests then it is valuable for both the consumers and the company. The targeted message should be relevant for the customer but not intrusive. (Fonecta 2014)

The marketing technology landscape is very scattered and the amount of tools and vendors are growing very rapidly. Looking at Scott Brinker's famous marketing technology landscape map as shown in figure 3 and 4, it is easy to see how fast the amount of tools is increasing in the market.



Figure 4. Marketing Technology Landscape maps from 2011 – 2014. Reprinted from Marketing Technology Landscape Supergraphic (2014) (Brinker 2014)

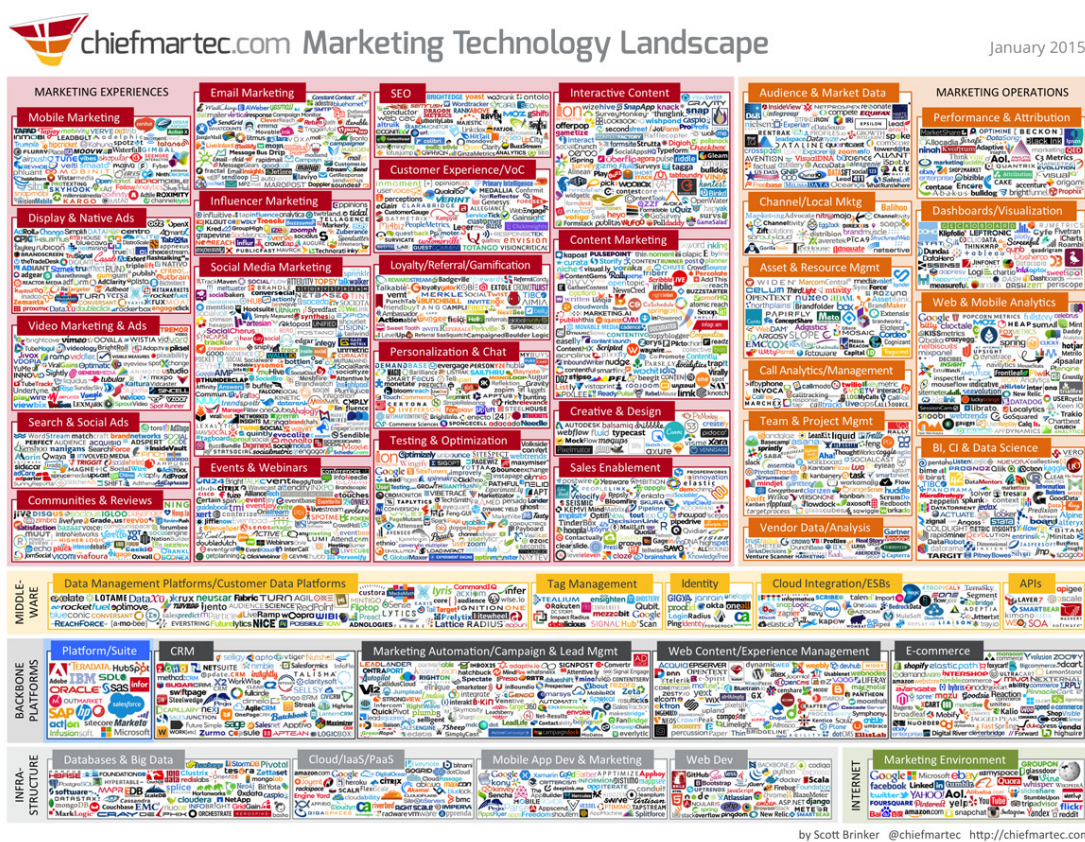


Figure 5. Marketing Technology Landscape map from 2015. Reprinted from Marketing Technology Landscape Supergraphic (2015) (Brinker 2015)

On Scott Brinker's map the amount of tools have grown from 100 to almost 2000 in just a few years. This is a huge increase in the amount of tools in just a few years.

Since marketing is more and more based on new technology and platforms the importance of understanding IT especially from a marketing point of view is growing. To

handle this companies are placed in a challenging spot to have the right roles in their organisations since marketing technology tools requires new marketing technologist positions to understand and perform a hybrid task between marketing and IT in the marketing technology landscape.

As mentioned the technology solutions, tools and concepts are very scattered and there seems to be different approaches in terms of how to categorise the tools and how to use terms regarding marketing technology concepts. Gartner is using the term digital marketing hub whereas Scott Brinker's Chief Marketing technologist Blog is using the terms like Marketing Clouds, Platforms and Suites to describe roughly the same things. (Brinker 2015)



Figure 6. Marketing Clouds and Platforms. Modified from Marketing Technology Landscape Supergraphic (2015) (Brinker 2015)

We will take a look into a few CRM platforms which are the foundation and a must needed to effectively run digital marketing. Then we will have a look at digital marketing clouds and finally quickly review open platforms and see how they fit into the picture.

CRM and digital marketing cloud platform providers are beginning to stack software to their tool sets, which makes them soon fit into both categories. Therefore some providers are mentioned in both sections.

3.1 CRM Systems

There is a rather long selection of commercial CRM tools on the market but only a few meet industry de facto standards. These players have usually started as traditional CRM tool providers but are enhancing their CRM tools with functions that can make the leap into CEM or at least marketing automation tools.

Since CRM is the foundation of CEM and still a core foundation when building a full CEM set of tools, it is important to understand the CRM tools that are out on the market. This is especially important when a company has a legacy CRM which isn't yet used for CEM purposes but has to be evaluated if it can be upgraded or integrated into the tools that are required for a CEM concept.



Figure 7. Marketing Technology Landscape CRM map. Modified from Marketing Technology Landscape Supergraphic (2015) (Brinker 2015)

A selection is presented below of the top five major Customer Relationship Management (CRM) system providers that usually come up and that major companies are using.

SalesForce

SalesForce is a powerful tool with a lot of features. SalesForce is also the newest in this group but has gained marketshare quite quickly. Currently it is the CRM market leader provider. It offers its solution only on a cloud platform as a software as a service (SaaS).

The price range is from about \$5 to \$300 per month depending on the features and support per user, which can be rather expensive for smaller organisations, but depending on the feature list, it can also be affordable for smaller businesses. The more features that is chosen, the pricier it gets.

SalesForce comes in different packages:

- Sales Cloud, which is basically the traditional CRM
- Service Cloud for the customer service and support
- Marketing Cloud to build customer journeys and experiences
- Community Cloud to handle

SalesForce offers add-ons via its AppExchange platform to further enhance the platform. All of the apps found here are verified by SalesForce. (Robie 2014)

Microsoft Dynamics

Microsoft has an easier task to sell in its traditional CRM tool to companies, which have based their IT infrastructure on Microsoft products. They usually have their computers running Windows operating systems and the server setup is Microsoft's IIS server or Azure cloud. Therefore, choosing Microsoft Dynamics as the CRM tool can reduce integration costs.

The native tools have been lagging a bit behind in terms of functions when it comes to the aspect of CEM and marketing automation. However Microsoft has packed up with some new features lately. The CRM comes both as an on-premise or a cloud version based version, whereas Microsoft Dynamics Marketing only comes as a cloud based version. Dynamics Marketing can be used with both types of CRM installations. (Konczynski 2015)

CEM and marketing automation features are rather new in Microsoft Dynamics with the Dynamics Marketing tools. These include analytics, multichannel campaigns, asset management, social marketing tools, emails, leads etc. For the moment Dynamics marketing can't be found on Gartner's magic quadrant.

Dynamics can also be enhanced with ClickDimension which is a flexible and customisable marketing automation solution for Microsoft Dynamics CRM. It contains features such as email marketing, web tracking, landing pages, social discovery and forms.

Oracle

Oracle is a traditional software company as well and with its Oracle Sales Cloud it has taken a step forward from the traditional on-premise version. Oracle has a fair share of the CRM market but it can seem quite confusing with a multitude of products, especially with their acquisitions of related software companies.

With these acquisitions they are probably taking good leaps to catch up with Salesforce and provide marketing and social platform solutions (Blattberg 2014).

Zoho

Zoho is a freemium cloud based CRM which is feature rich and also a very cost effective choice. It offers a free version with limited features up to \$35 per month per user with a full feature list. It offers most of the features that are needed by smaller or medium sized companies. It appears to be very easy to take into use with a short learning curve and good guides to help even the non-professional CRM expert to start using the service.

Zoho is getting praise for its easy web form tool which is straightforward to embed on the company's website. The information from the form is of course submitted straight into Zoho's contact list for further use. (Noyes 2015).

There are of course a multitude of other CRM systems on the market and it depends on the size of the business what is used and what is smart to use in terms of costs, return on investment and resources.

The good thing with most of the tools of the big players is that they can be integrated into other systems. Some integrations might come cheaper than others, depending on the integration but usually there is a hefty sum to pay. The major software providers deliver with great CRM and CEM expertise. These companies provide good support and can of course help to setup CRM, CEM and marketing automation strategies, but as mentioned, they are usually quite expensive.

CRM market shares in 2013

Gartner's latest CRM market share reports that the worldwide CRM market grew 13.7% from \$18B in 2012 to \$20.4B in 2013, with 41% of all systems sold in 2013 being SaaS-based (Columbus 2015).

According to Gartner the share of CRM software in 2013 is:

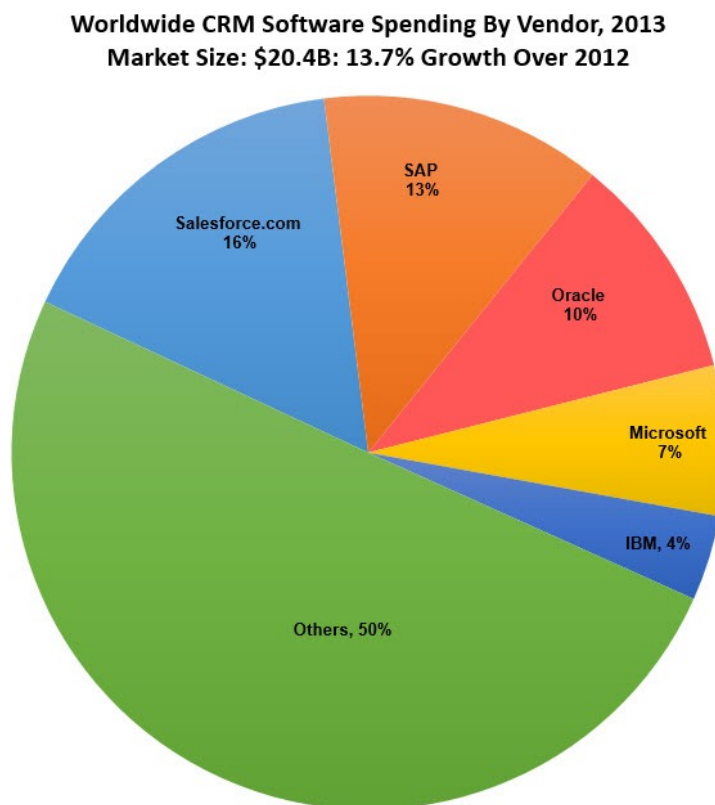


Figure 8. Worldwide CRM software spending by vendor in 2013. Reprinted from Key Take-Aways From Gartner's 2015 Magic Quadrant For Business Intelligence And Analytics Platforms (Columbus 2015)

41% of all of the CRM revenue came from software as a service (SaaS) solutions which are growing in demand because enterprises want easier, faster and more cost efficient CRM solutions to replace legacy CRM systems. (Gartner 2014)

In 2013 SalesForce continued to be the largest CRM vendor with a 16.1% share of the market with a growth of 30.3%. SAP remained at the second place with a market share of 12.8%. Microsoft and Oracle had nice growth figures as well, 22.8% and 22%. The top five CRM vendors hold a market share of 50%. (Gartner 2014)

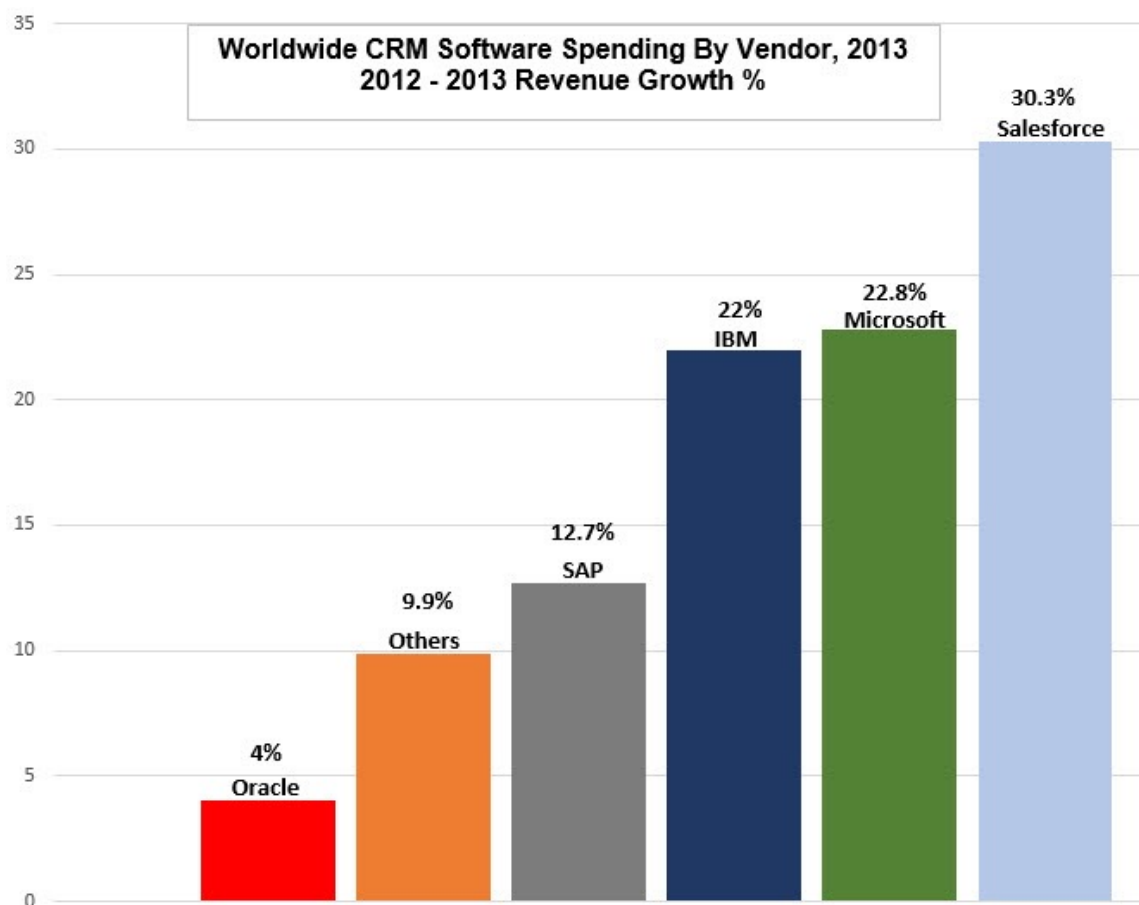


Figure 9. Worldwide CRM software spending by vendor in 2013. Reprinted from Key Take-Aways From Gartner's 2015 Magic Quadrant For Business Intelligence And Analytics Platforms (Columbus 2015)

OpenSource and free alternatives

There are a few choices in the open source and free category that are considerable alternatives to the usual big players. The nice thing with open source is of course that it is free and there are no license fees to pay. On the other hand the issue with open source is that you need someone who knows how to install, configure and maintain the systems.

The free versions are usually maintained by dedicated companies who offer the service free with some features, usually quite basic or limited to a certain amount of functions and users. Adding more features, users and support adds something to the costs of course.

SugarCRM

SugarCRM is maybe the most well-known and used OpenSource CRM system on the market. According to CRM Switch it is the 8th largest CRM (CRM Switch 2014).

SugarCRM is used mainly by middle or small sized companies. It might lack a bit in features compared to Salesforce but it also ships nowadays both as an onsite and cloud version. Since it is open source the development can be customised but there is also the possibility to purchase different features with add-ons from SugarExchange which is a marketplace for themes, modules and language packs. (Blattberg 2014)

3.2 CEM Systems

Marketing automation, online analytics and CRM systems are usually the tools described to make customer experience happen, but to make this into a successful dialogue with the customers, the whole organisation has to be involved no matter what the position is (Fonecta 2014).

Again, there are many definitions that are widely used when we talk about tools that make Customer Experience Management possible. These systems have a CRM as a foundation and are enriched by marketing automation and analytics tools. Tools that contain CEM features are usually called by names such as digital marketing platform,

digital marketing hub and digital marketing cloud. The different terms are quite often used even in the same article or research paper.

It is the CEM tools that are needed to deliver the segmented and content strategy based content to the customers.

As Gartner has defined a digital marketing hub:

A digital marketing hub provides marketers and applications with standardised access to audience profile data, content, workflow elements, messaging and common analytic functions for orchestrating and optimising multichannel campaigns, conversations, experiences, and data collection across online and offline channels, not manually and programatically.

It typically includes a bundle of native marketing applications and capabilities, but it is extensible through published services with which certified partners can integrate. (Frank et al. 2014)

The marketing technology software resource, The Hub, describes the minimum requirements for a marketing cloud as follows:

1. Multi-channel marketing automation – For publishing and promoting content that helps marketers engage customers across several different channels, particularly mobile and social. It also needs automation for the intelligent algorithms that sequence how that engagement happens.
2. Content management tools – To create and manage the content and engagement tools that can be deployed across different channels.
3. Social media tools – For listening to and engaging with social media networks to tap into consumer conversations, responding with custom content, or social media advertising.
4. Analytics platform – To create profiles of consumers based on their online behavior, and evaluate which marketing campaigns are working and which aren't. (Akhtar 2014)

Digital marketing is struggling how to reach, engage and cope with consumers in the more and more fragmented and unpredictable digital landscape. There is a need to access a common source of analytics, profile data, content resources and workflow. (Frank et al. 2014)

Digital marketing clouds are arising from new needs to have better control of digital marketing and there are three main different development focus areas according to Gartner. These are described below.

Consumer empowerment

With new technologies such as mobile devices and social platforms, consumers have more control of the way they research and interact with brands. This also applies to how consumers take control of the conversation from brands and their media.

Channel proliferation

With the new technologies and platforms, consumers have a multitude of devices and channels to purchase products, services and interact with companies. This has increased the complexity of how to meet the consumers and have a coherent and ubiquitous dialogue with them on different channels and devices.

Responsibilities of marketing

The technological challenges are getting more and more complex for marketing departments. Therefore, companies have to take actions how to control the customer experience and create a single view of the consumer. With these digital possibilities companies can create corporate strategies where the focus is on increasing the customer experience by addressing customers as individuals, delivering the right content, at the right time in the right place.

Since there is a need to reach and address the customers individually through complex decision journeys, various channels and different contexts, there is a need for processes and software to unify the data from different sources and needs. These are usually marketing and analytics data, processes how to drive acquisition, engagement, conversion and transaction. (Frank et al. 2014)

Many see that in a modern organisation, it is the responsibility of the Chief Marketing Officer (CMO) and Chief Digital Officer (CDO) in co-operation with the IT-department to take charge of this process.

3.2.1 Marketing Cloud Providers

Gartner has made a magic quadrant where it has placed digital marketing hub vendors and evaluated their strengths and cautions (Frank et al. 2014).



Figure 10. Gartner's magic quadrant for digital marketing hub vendors. Reprinted from Gartner, Magic Quadrant for Digital Marketing Hubs (Frank et al. 2014)

I will concentrate on a few of the most well-known digital marketing hub vendors here: Adobe, Salesforce, Oracle and IBM.

Adobe marketing cloud

Adobe's digital marketing hub consists of six products: Adobe Analytics, Adobe Experience Manager (content management), Adobe Target (website and mobile app optimisation), Adobe Social, Adobe Media Optimiser and Adobe Campaign (formerly Neolane).

Adobe is building its marketing hub suite with long term strategic vision, planning and company acquisitions. For more controlled orchestration and operation it is possible for users to share segments, workflow, unified analytics and optimisation across the products and services.

Adobe is also partnering up and creating alliances with for example Publicis, SAP and Accenture to provide a growing and evolving platform. Since Adobe does not offer a CRM solution of its own, it has recently included an integration possibility with Microsoft Dynamics CRM (Noyes 2015).

One major advantage for Adobe is its creative tools suite, such as Photoshop, InDesign, Illustrator and Premiere Pro. These tools are more or less industry standard tools in the creative and marketing branch (Frank et al. 2014). When these creative tools are easily implemented in the workflow of other digital marketing processes of the Adobe marketing cloud, the enhanced workflow will be a very important factor to consider for organisations that rely heavily on the use of creative tools.

Salesforce marketing cloud

Salesforce is considered a solid leader in providing a solid set of products to cover most corners. It has a solid set of tools to build marketing automation around its CRM. With tools like Marketing Cloud, Journey Builder and acquisitions of ExactTarget and Pardot Salesforce is strengthening its position on the market. (Frank et al. 2014)

There is also the possibility to connect the Salesforce marketing cloud to Microsoft Dynamics with the Salesforce Marketing Cloud Connector (Salesforce 2015)

Oracle marketing cloud

In Gartner's evaluation Oracle gets good overall scores with a broad range of digital marketing hub tools. Oracle also offers B2B and B2C multi-channel marketing solutions. Even though Oracle has successfully acquired companies to broaden its portfolio there is some overlapping in its product range and there is still some integration to be done. (Frank et al. 2014)

IBM digital experience cloud

IBM's ExperienceOne is ranked by Gartner as a challenger in the Magic Quadrant. Similarly to the other big players IBM wants to take market shares by acquiring other top-rated digital marketing providers. (Frank et al. 2014)

As an old and global player on the software market IBM has realised the potential in marketing software solutions early on. Concerns for IBM's solutions appear to be the lack of key features and built-in integration among some products. (Frank et al. 2014)

3.2.2 Marketing Automation Tools

Open platforms or smaller marketing automation tools usually offer fewer functions than the full blown integrated marketing platforms. The argument for open platforms is usually that they can be more easily and cheaply integrated with third-party software that is not available on the integrated platforms (Akhtar 2014).

Even though integrated marketing clouds are in theory easier to set up and take into use without massive customisations and integrations they have also been built up by third-party software acquisitions and are not always working seamlessly (Akhtar 2014).

It is a hard question of balance what kind of a setup to choose. Eventually the choice of tools has to be based on the needs for each organization. The cost of the solution will certainly affect the decision.

At least Adobe and Salesforce have however met this challenge by offering third-party integration possibilities (Akhtar 2014).

Marketo and Hubspot are on top of every list when open platform or marketing automation software solutions are being rated and are worth considering for small and mid-sized companies.

4 Setting up a CEM System

The trickiest part seems to be how to get started with Customer Experience Management. The terms and concepts behind CEM are overlapping because even the professionals in the business can't seem to agree on what they mean with a specific term. In some cases the CEM specialists come up with their own terms and definitions. This is confusing even for the seasoned marketing technologists not to mention the people in the marketing business who aren't that technology savvy.

Then there is a rapidly growing set of digital marketing tools on the market to make sense of. It is hard to know what the tools are (?) to get the most out of a specific concept and how they can be integrated with other tools on the market. Integration with the company's strategy, data infrastructure and backend systems has to be taken into consideration. This makes the whole marketing technology sector extremely hard to grasp at the moment. Probably in 5 – 10 years, there will be de facto industry standardised solutions that work for small to large enterprises for a reasonable investment.

In my experience, chief marketing professionals recognise the need of understanding the customer experience journey and they know that there are tools and concepts on the market but in most cases that is where the knowledge ends and the interest dies. Also a lot of companies do not have a role in their organisations that is specialised in digital marketing platforms and concepts. Usually marketing technology related projects are wishes from marketing executives but the projects are led by IT departments and therefore the solutions aren't always best suited from an agile marketing point of view, especially when it comes to B2C marketing activities with a multi-channel content driven approach. Marketing technology and channels used by customers can change rapidly. Therefore, new tools and platforms are surfacing quickly to meet the requirements of the constant change. This constant change requires agile and more iterative processes to implement and try out new concepts and tools as the changes emerge and feel relevant from a business point of view.

I would argue that in most organisations, not just marketing departments, there is an urge to take the technology, data and a more effective customer journey into use to

develop digital business but there is not enough know-how where to start, what to do and how to do it. It seems that it is the hardest part to convince the upper management in organisations why digital business and a centralised customer experience approach is going to be vital for future success.

Before beginning with CEM, companies have to do a lot of research regarding many things related to CEM but especially the data strategy. These questions include what kind of data the companies are collecting, how much data they already have, what of that data is relevant, whether companies should collect some other kind of data, where from, what the regulations and legal aspects are and most importantly, how this data can be used to grow business, find new opportunities and raise awareness about the customers behaviour and needs? To succeed companies need to take a holistic approach to their data management. This means that data should be the driving force in the decision making process. The data should be accessible from all the different silos and sources and made available to anyone in the organisation to utilise it.

The usual first logical step is to rely on external partners, which is the way organisations advance in most cases but I'm arguing that relying on external partners and their expertise can make a company more vulnerable since then the company will not know the power and potential of their own data. An external partner can probably help the companies get started but without a real and deep understanding of the weaknesses and strengths of the organisations, different mechanisms, small details and fine tunings of the company and its business, a lot of things can get lost and the process of taking the right data into effective use will most likely be longer.

Therefore, as mentioned above, a modern organisation should have determined who is responsible for digital business opportunities. The marketing department should have a digital marketing officer who has a solid understanding of technology and marketing and is pursuing these projects in co-operation with the company's stakeholders such as marketing, IT-department and external partners.

For most of organisations the best choice would be to have a solid in-house understanding, short and long term plans on how to reach the goals, make room for agility and select partners that have the right expertise and software to offer.

In terms of investment costs, integration between CRM and marketing automation tools is an important topic. This is where the IT department, Marketing Digital Specialist and external partners have to evaluate what the best options for the CEM strategy are. Since in most companies there is already a CRM tool in place which is usually connected to other back end systems, such as ERP (Enterprise Resource Planning), finance, logistics, sales, and support. Therefore it can be very expensive to change and replace the current solutions for newer tools that might be more suitable from a modern marketing point of view.

Many traditional CRM vendors are now offering CEM and marketing automation features on top of their traditional CRM systems, making them in some aspects into CEM tools as well. These new features are worth having a closer look into, since integration between tools from the same vendor usually integrates easier. However old and new tool versions from the same vendor might require either a complete upgrade or extensive integration, which might be just as expensive as upgrading.

Since the current CRM tools might not be the best for digital marketing purposes, a thorough look from different aspects is highly recommended. Things to observe and consider are the current and future needs of digital marketing, the current CRM and backend system infrastructure, cost, vendor reliability, trusted third party partners and their references. As it has been discussed in this study, the terms and concepts of CRM, CEM and marketing automation are varying a bit depending on the person defining the topic and there does not seem to be industry standard definitions on this topic yet. Most of the well-known and widely used CRM and CEM tools can be integrated with the most common backend systems companies are usually using. The cost of integration will vary depending on the complexity of the integration.

Usually organisations already have some sort of customer database they use. The database can be a full blown CRM, an email marketing tool or just an Excel sheet. As an

initial step to collect and grow a customer database, an organisation has to attract visitors to build a customer database. This can be done in several ways, e.g. by attracting potential and segmented customers from Facebook or arranging sweepstakes with a questionnaire and competitions. This is a good and a simple way to start building up a customer database which initially can be the foundation for the company's email marketing software or even CRM. No matter what the approach is, eventually this database should be integrated into a CRM for more versatile usage where the data can be combined to other sources of data such as sales data, customer service data etc.

When the foundation for a customer database is ready, the organisation can start to build up an understanding about the customers, what their interests are, what kind of content they want to receive, demographics, preferred channels for interaction and so forth.

After a while, with the right monitoring and analytics tools the organisations will start to have an understanding of who the brand advocates are and what the customers are interested in. Then it is possible to start to put more focus on the more valuable customers since they are most likely the ones who will convert into purchasing and push forward your message via their channel. This creates trust and interest in your company's brand and products. Also these promoters are most likely the ones who are purchasing your product more frequently than others.

It depends on the context when customers should be individually targeted and when they should be targeted by segments. Email marketing and banner advertising are good examples of highly individualised targeting once the customers' interests and preferences are known based on previous behavior. Before companies know that much about the customers, content and information can be shown based on their behavior in comparison to other customers with similar profiles. For instance the same kind of content can be shown for the same kind of segments based on the surfing habits on a website. It is not always possible to reach and target every customer as a single individual but with segmentation it is at least possible reach them more precisely and target them with customised content. There will of course be some overflow between segments and for some individuals the message won't match with their interest.

How do you then start building on a solid customer database to utilise in the customer experience journey? Every serious marketer knows that buying customer lists for email marketing is not recommended. The lists can contain bouncing emails which can be bad for sending reputation. These lists will contain contacts who haven't opted in for your messages and this can cause a negative rather than positive customer experience. But yet, still a lot of companies do this. The recommended way to approach this would be by collecting customer data from your own channels, based on your own interest and your marketing strategy to back up the whole strategy.

This can be done via sweepstakes and competitions where the customer has to leave the desired information via a form on a landing page. To continuously enrich the customer database, it is possible to attract new prospects by using banner advertising or advertising on social media channels which leads to your landing page form.

Once the customer database has been setup and the database contains segmentation data about the customer, sending customised emails with highly targeted information becomes possible and sensible. These emails can contain individual information such as name, title, product preference and interest. Personalising the experience for the customer is an important part of Customer Experience Management.

There is not such a package which could qualify as the perfect solution since there isn't a tool that could deliver all possible aspects for a CEM solution - unfortunately. The tools that are chosen depend on the backend solutions the company has in place and the needs of the CEM strategy.

CEM should in theory be rather straightforward but in practice it is very complex with various brands, products, media, channels, organization structure and silos with different objectives that conflict with one another (Williams 2014: 19).

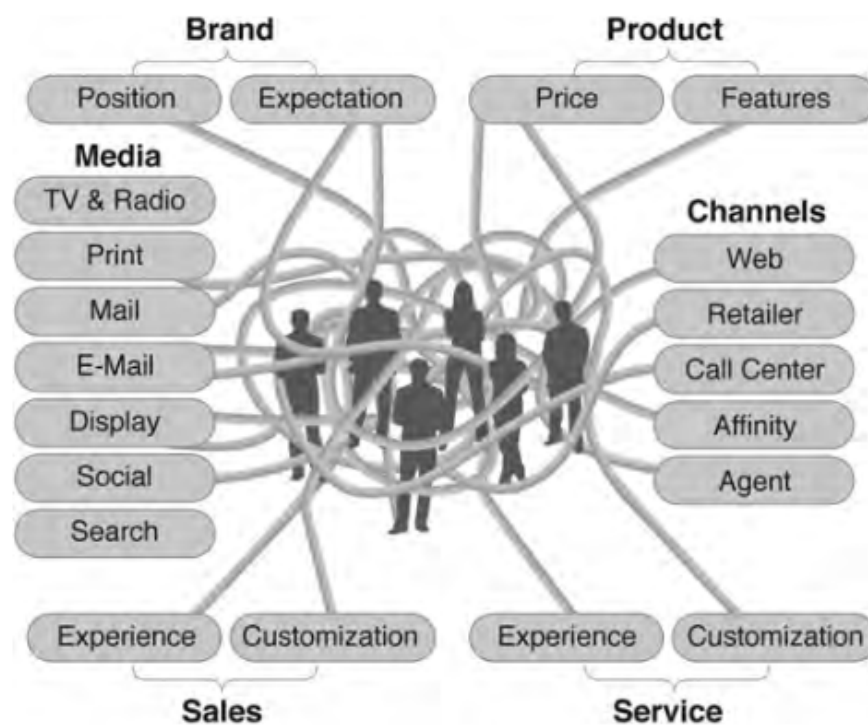


Figure 11. The complexity of CEM. Reprinted from Complexity of Media and Channels. (Williams 2014: 20)

Mikko Jokela at North Patrol recommends focusing on two things:

1. Examine your organization: Focus on the digital ambitions and make choices based on whether the focus is on content/ asset management, multi-/omni-channel publishing, web shop pricing logic, CRM or marketing automation. (Jokela 2015)
2. Select the right partners: Since most likely you need to work with external partners don't only evaluate products but partners as well. The products should be widely in use and future proof. (Jokela 2015)

At the moment I would suggest a midsized company or a large enterprise to evaluate platforms from the larger providers such as Adobe Marketing Cloud, Salesforce Marketing Cloud or Microsoft Dynamics enhanced with ClickDimension as the core of the solution. These are big organisations with serious development plans of their tools. They are also among the top market leaders in this branch and are always highly rated on Gartner's and Forrester's evaluation lists. The big players are also staying on top of

the game quite often by making targeted software acquisitions to complement their set of tools.

I would also evaluate how well these platforms are compatible with other smaller marketing technology solutions and what kind of open API solutions they provide. It is important to have a solution, which is flexible and agile enough to make it possible to try out quickly new features that a smaller solution provider might release on the market and that there is the possibility to integrate these new features into the main platform.

A major issue to consider is what kind of systems already are present in organisations. What kind of requirements does that mean for the new platform? What would the costs be if the backend systems have to be updated or even changed to fit the future needs of modern marketing technology? In Finland and in Finnish companies Microsoft is a common selection as the computer operating system and CRM. Because of that, there is a wide support, knowledge and set of companies supporting Microsoft's solutions in Finland. That is why it can be a smart choice to choose CEM and marketing automation features from Microsoft or at least keep the current Microsoft Dynamics as the CRM solution. Microsoft has also allowed many of the other big suite providers to implement their solutions into Dynamics which makes it a very interesting solution.

A possible recommended CEM solution could be Microsoft Dynamics as a foundation for a CRM. For advanced analytics and marketing automation features Adobe Marketing Cloud or Salesforce Marketing Cloud are the most versatile tools to consider. The advantage with Adobe is that its de facto standard creative tools are included in the workflow, which makes it stand out as a solution aimed for marketing with a creative edge for producing material for different channels. The downside is that Adobe does not have a CRM to offer which most of the other big players do. However, there is an integration possibility for Adobe to Microsoft Dynamics CRM.

Finally, it is crucial to get the whole organization onboard and to commit to digitalisation. It should not just be about digital marketing solutions, technologies and concepts, but a digital business strategy as a whole where marketing is considered as one major aspect in the grand picture of the digital business ecosystem.

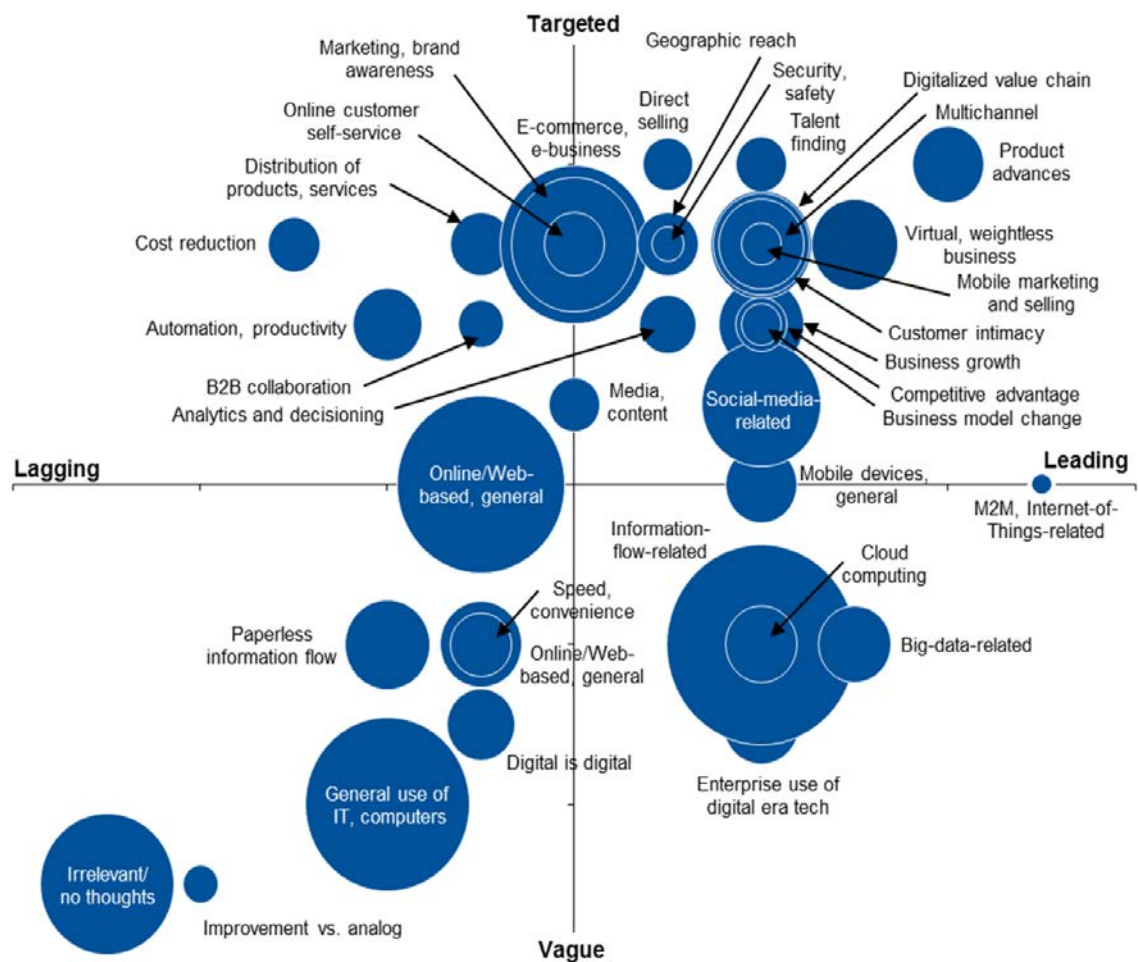


Figure 12. CEO Survey Results on the Meaning of Digital Business (Burton et al. 2015)

Whatever the solution will be, it is important to keep agility in mind since the marketing technology landscape is moving so fast. There should be room to make quick try-outs for new technologies and concepts that keep emerging with an ever increasing pace.

5 CEM in Practice

In this chapter two real life use cases are demonstrating how to get started in practice with customer experience management and to demonstrate that it does not have to be that difficult. As with many complex things it can be smart to start slowly and easily and advance as the knowledge grows.

In the first use case, segmentation and analytics are used to drive the content production process in order to enhance the user experience by delivering targeted content based on online segmentation. In the second use case, MailChimp, an advanced email marketing tool is used to act as a B2C CRM solution to store customer data. Also marketing automation is used to create automated processes to increase customer retention, e-commerce conversion and to enhance the customer experience.

In both use cases organisational commitment is highly encouraged by taking the key stakeholders more actively as a part of the process. This means that they or anyone in the organisation has access to the data that is produced from these approaches. Especially the stakeholders are expected to actively monitor analytics to evaluate the performance and take actions accordingly. The more employees from different parts of the organisation are showing interest in the data, the better are the chances for new insight and business opportunities.

5.1 Use case 1: Segmentation and Targeted Content Marketing

The company portrayed here is the leading company in its field. The products are mainly fast moving consumer goods (FMCG). We are mainly focusing on the B2C market in this use case. The problem regarding CRM, CEM and being engaged with the customer is that since the company does not have its own retail store and the products are located and sold from supermarkets and shops, it is very difficult to form a direct dialogue with the customers especially at the moment of purchase. The company has a small web shop to promote and sell a small range of its products.

The company has segmented its customers into six different segment categories to give a picture by whom certain products are being consumed and to get an under-

standing of their behaviour. A check for this segmentation is done irregularly but roughly every second year.

The company has a website where all the products are portrayed but the products can not be bought online from the site since it is a separate site than the web shop and there are just a few products on sale. Therefore the main focus of the website is brand building and story-telling by content marketing to showcase the product range and to share the leading knowledge and expertise of the company. This is done by publishing articles with a wide category range: inspirational, recipes, history and tutorials. The content is typically text, images and video.

The content strategy for the site is to produce quality content for the company's customers and anyone interested in the subject. The content shouldn't be too branded but of course it has to be evident who is producing the content. There has to be also specific and targeted content that is aimed for the right interest segments.

Other than the website the company has a strong presence in different social media channels, mainly Facebook and to some extent Instagram and Twitter. A major function of the social media channels is to drive traffic to the website and thus make the customer consume other interesting material as well. The company website is meant to be the hub for all information about the company, its products and services.

Until now the company has not known who is consuming and is interested in what kind of content and material on the site. Therefore, the content production for the site has been somewhat based on guessing and assumptions. Of course website statistics and analytics give information on what content has been the most interesting. However, the company hasn't known which of its segments has consumed certain content.

Therefore a project has been initiated at the company which allows linking content to the different segments. This helps the company to produce the right kind of content for the right segments and learn about what interests the consumers. The aim is to steer the content production by analysing website, email and social media data. The steps for doing so are:

- Defining the segments for online purpose
- Defining different interest topics for the different segments
- Defining keywords for the different topics
- Segmenting the customer base (email marketing)
- Analysing the data
- Implementing segmentation into web-analytics
- Creating the content
- Showing the right content for the right segments

Defining the segments for online

The company has the segmentation of its customers but it has to be evaluated if the same attributes are valid for the web and an online presence of the customers and that they are behaving in the same way. There will most likely be some factors which might have a different weight in the online world. For instance, there is probably a difference in who (age, gender, demographic location) is consuming a brand and customers might also have differences in how they use the internet, whether it is on a desktop computer or on a mobile device or if customers would rather watch video content or read articles.

The company has a segmentation key questionnaire with eight questions and each question has a scale from 1-7 to define the level. By answering these questions the right segment can be defined with 78% certainty.

To get the segmentation information into digital format an online questionnaire is going to be made to get the right value, which defines the right segment. This value is transferred to Google Universal Analytics, which has been custom setup with the right six segments. In Google Universal Analytics these segments can be filtered in various ways but the main purpose is to filter them against content, which has been tagged to a certain segment. This way it is possible to see which segments are consuming what content and if there is any overlapping or even some overflow between the segments.

In Google Universal Analytics identifying visitors on a personal level is prohibited by Google. Therefore, this data cannot be transferred into the customer database or CRM.

However by using email marketing tools it is possible to connect the customers to a segment. The same online form is used to pass the segmentation value to the email marketing tool. The information is passed on from the form to the customer database and connected to the customers' email address. The email is used as an individual identifier. Now we know which segment the customer belongs to and we can track from the newsletters which content the person is clicking on and get an understanding about the content this person is interested in.

Defining different interest topics for the different segments

To be able to produce the right kind of content, some interest topics have to be defined from the beginning of the process without having major segmentation analytics to back it up. This is done best by having a look at the website analytics and using a keywords analysis. Also the company's online content producers will most likely have a good view of where to start from.

This means that every segment will be defined with a set of different topics to match with the content.

There will probably be some overlapping between the segments and the different topics but this is of course quite unavoidable and can eventually indicate, which segments are close or do overlap each other. This helps with targeting or re-targeting the content to the right segments. Based on the website analytics the content production can be steered as the company learns more about what kind of content interests a certain segment.

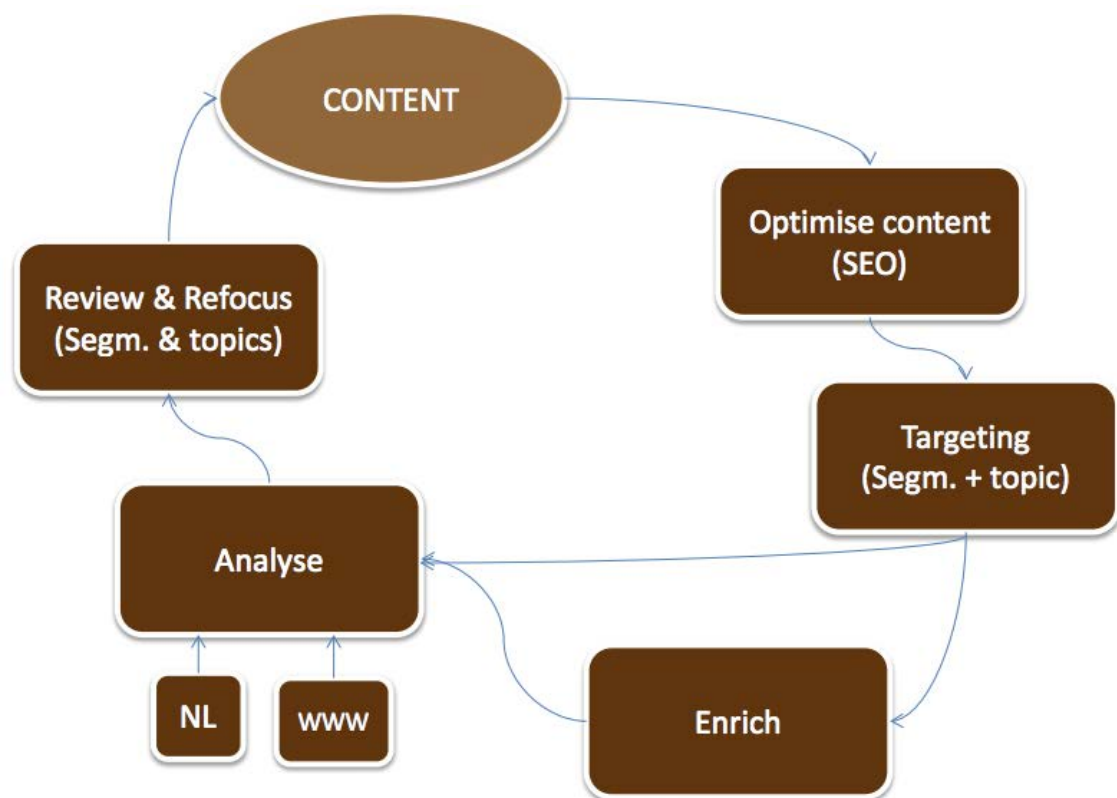


Figure 13. Analytics driven content production

This is also a good way to collect data from the segments and their interests and to see how the segments possibly change. For instance a product, an interest or a topic which has been consumed by early adopters might eventually shift over into a broader segment. This of course gives the company valuable insight into what is trending and how to address the different segments with the right targeted approach, not only with the right kind of content but also with the right kind of products and services.

Defining keywords for the different topics

To make the content findable for search engines proper Search Engine Optimisation (SEO) has to be done for the content. In short this means that the headers have to include the right keywords as well as the text. Today keyword meta-data is an optional choice since Google is obviously not ranking it in its searches. The concept of SEO is another large topic and won't be covered more in depth in this study. The topic specified keywords will be placed in context with the different topic areas of the content and

also matched with the different segments. The matching is done by tagging the content with the segmented keywords in the backend of the content management system (CMS) which is running the company website.

Using these methods we have a way of catching what content is interesting for which segment and can have a continuous process of following the interests of each segment and create a continuous roadmap for the content marketing strategy and the content production calendar.

Segment the customer data base

Depending on the status and the quality of the customer database it is recommended to clean it up every now and then, at a minimum once per year. Roughly this means that emails which aren't working, should be cleaned up not to disrupt the domain quality score when sending out emails that are bouncing. Some organisations have a full blown CRM as their customer data base but a lot of organisations just have the email marketing tool which in some cases can handle the job of a simple CRM database in B2C marketing. At least for many companies starting out and building a CRM or a CEM strategy, it can be cost effective to start with an email marketing tool as a customer database. I would argue that this is the easiest, fastest and cheapest way to start operating.

There are certainly a lot of different ways of how to build or clean up a customer database. There is always the possibility to buy a bunch of third party emails but that is always very uncertain since there are not any guarantees that the purchased database consists of working and verified emails. Depending on the email service provider, having a large list of bouncing or invalid emails can cost the company to be banned or blacklisted from using the service and losing the domain quality score. Whitelisting your account can also be a daunting process.

Therefore it is highly recommended that for a start a company should start collecting the email customer database from your own channels. This way it is most likely that the company is gathering a list of contacts which are truly interested in the products or

services. Usually methods to collect contacts are sweepstakes, competitions, questionnaires and the possibility to download white papers.

If the company has an old database of contacts it is recommended to clean it up before starting segmenting. This can be done by sending out an email to the complete email list with a questionnaire asking to reply if the consumer is still interested in subscribing to the email. Of course there should be a clear reason to encourage to sign up for email subscription. It can be a promise for targeted content and benefits or maybe even a sweepstake can pull in potential and interested customers who wouldn't bother otherwise.

A reminder can be sent after a week or two to the ones who did not reply to the first email. The email customer list will most likely drop dramatically but at least there will now be a list of consumers who are active and have shown an interest in the company and the message the company want to get through to the customers.

It is also possible and recommended to enrich the list by sending out a message to a lookalike audience in Facebook. In short this means that by creating a lookalike audience based on the interests and preferences of the Facebook fans. Then Facebook finds a lookalike audience outside of the company's fan base and can send them a recommendation to join the mailing list. This way the company will most likely attract people who could be interested in the company's message.

After you're the mailing list has been built, it is time to send out the segmentation questionnaire which was described earlier in this chapter. Even though the questionnaire contains a set of eight questions, the structure behind it is quite complicated and it is quite challenging to calculate the right segment. The fewer questions there are and the shorter and easier they are formulated, the easier it is to get a higher percentage to answer the questionnaire. As mentioned earlier, to gamify and add an incentive adds attraction and increases the conversion rate.

After getting the answers, each respondent is given a segmentation value and the ones who did not answer go into a pool of their own marked as generic or neutral. The lat-

ter group will get a neutral email with generic content. The recipients cannot be used for segmentation purposes until they respond to the questionnaire and get a segment value. It is now possible to start sending out emails to the segmented consumers with customised content based on the segments.

The company should slowly enhance the database of the customers with follow up questions. This can be about their product, service or content preferences, and it can include demographical information and other preferences. The questions can include whatever might seem important for the organisation to understand about their customers. This is wise to do in smaller steps since the conversion will most likely drop the more questions the consumer has to answer every single time. Some are using a technique where the consumer is asked to give the basic information on the first page such as name and email. Then the customer land on a second page where the customer is promised more information or benefits and they are asked to give additional information to get the additional benefits. This method can be used to get additional information in a more quickly fashion. Entertaining questionnaires with a sweepstake usually convert better. The consumer should be encouraged to share the answer with their peer group and encourage them to join the mailing list as well.

As in any good content marketing, it is not just about pushing the company's message to the consumer, it is a two-way dialogue and the company really has to create content that genuinely interests the customers.

Analyse the data

To understand and know which content is interesting, the company has to use analytics tools. There are plenty of available analytics tools on the market ranging from free to six figure number fees. To get more out of the segmentation Google's latest version of its free analytics software Universal Analytics is used.

In the web analytics tools it is easy to see which content is gaining most traction. It is also easy to see in the analytics tool where the traffic is coming from. It can be search engines, external sources, affiliates and social media.

The company can also create segments in the web analytics tool. The segments created in the tool can be filtered with different criteria to see how the content works. By following closely the data it is possible to see if the content resonates to the right segments or not and make data based conclusions on how to proceed with the content production and steer the content management strategy process.

Create the content

Based on the analytics the content creation team can steer the content production to match the analysis. The content team will know what kind of content has or has not been interesting in different segments or topic and focus areas and can create interesting and targeted content based on the findings.

A/B testing of content is also good to do to get quick findings. This can be as easy as changing the headline to see what gets more clicks or a higher click through rate. The result can be because of a change in the tone of voice, different images to define the right visual tone, the length of the content, and of course to verify which segments likes the content. The latter is quite important when drawing conclusions about how the segments are moving from a segment to another.

The collected segmentation user information can be used to send out targeted emails with targeted content for the right segments.

Show the right content for the right segments

The easiest way to show the right content for the right segment is via sending customised emails to the different segments and thus directing them straight to the right content.

It is possible to show segmented content on the website based on consumers content surfing habits. One way to do this is by showing the consumer a customised front page or landing page. Based on their segment and browsing habits, the consumers would

see content, which recognises content that is tracked with browser cookies, and how that content has been tagged to a certain segment. This is an interesting way to present quickly valid and presumably interesting content for the consumer.

5.2 Use case 2: Marketing Automation

In the second use case we are taking a look at how marketing automation is working as a part of CEM and how the automation features enhance the workflow process and have a positive impact on the conversion in ecommerce.

The company portrayed in the example is selling its products mainly via retail channels. It has an old website where the products can be purchased. The problem is that the web shop is a few years old and is not responsive and thus not accessible via mobile devices. Also the content can't be easily created nor updated by the in-house content production team which makes ad-hoc campaigning on the site quite a hard and long process in many cases. The purpose is also to be more agile when opportunities appear for quick marketing efforts.

Many of the company's customers would recommend the product to others. Therefore there is a need of an online and digital word of mouth (WoM) referral marketing concept, where customers can recommend the products to their peers to purchase the device and to get a bonus for making the recommendation leading to a purchase.

The company is using a new eCommerce platform which has enhanced features for marketing automation. This new platform is combined with the email marketing tool. These two tools gives the possibility to automate processes and gain insight about the customers and their behaviour to support marketing activities and product development.

The new e-shop is going to be slightly refocused regarding the product range. Some non-relevant and poorly selling product ranges are going to be completely removed so the total focus can be on the main products of the shop. The primary products are going to be displayed more clearly on the front page to drive better conversion. The

additional products are going to be displayed in conjunction with the main products as recommended products to increase the shopping basket conversion. Up-sell and cross-sell functions are also going to be implemented for the same reason.

There are going to be three product categories in the new shop, main products, additional products and accessories. The products are sold mainly via retail channels. The web shop will act as a support and registration site for customers to get access to additional features and benefits. The products are also sold via other e-shops as shop-in-shop products but now the aim is to increase the amount of sold devices via the company's own online channel.

With the new e-shop and the new strategy, the company is going to reach its customers from various touchpoints: the company website and e-shop, newsletter, social media channels, online advertising, search engine optimisation (SEO), search engine marketing (SEM) and review sites.

The new e-commerce platform which is built on Magento will be connected with the email marketing tool to create automated processes. In the simplest form this will be a reminder to signed-in customers who have placed products in the shopping cart but who have not finalised the purchase on the last page. Depending on the products, there will be an incentive to finalise the purchase by offering an incentive in the form of an extra product or a deduction of the final price.

One important marketing automation process will be based on the word of mouth (WoM) recommendation process where a customer who has purchased a device will get an automated email message a few weeks after purchasing the device from the shop. If the customer bought it from another channel, they will find a note with their device and be recommended to register the device on the web shop for extra content, tips and tricks and additional bonuses. If they are happy with the product, they will be encouraged to recommend the device to a friend who can purchase the device for a reduced price by entering a code they got from their friend with the device. When the friend has purchased a new device, the friend who gave the code will receive an automated email with a code to buy additional products for cheaper.

Other automation processes are reminders and encouragements to buy additional products after a certain amount of time has passed. If the customer recently bought a new device, the first automated email will be sent in a couple of weeks to remind to buy some additional products. After eight weeks an email will be sent to remind to buy cleansing products for the device.

An example of an automated sign up and referral scenario:

1. A customer signs up to the service after purchasing the device via:
 - a. Web shop
 - b. Retail
2. The customer is asked to give contact and product information and additional segmentation information:
 - a. Contact details
 - b. Product preferences
 - c. Demographic information
3. The customer confirms ownership with the device serial number, which is checked from a database.
4. The customer gets a sign up thank you bonus and a code to hand out to friends. This could be made easier with social sharing possibilities. A customer could share codes directly to a friend or a group or to all their peers on social media channels. This way, by sharing the code the customer also recommends the product via social word of mouth.
5. The friend uses the code to purchase the device and gets a deduction or additional products for free and the referrer gets a bonus.
6. A thank you message (email) is sent out to the new customer. The message should include:

- a. A thank you for purchase message
 - b. Information (tips & tricks, maintenance) about the device
 - c. General coffee (company/ brand) information
 - d. Information about the program (referral codes etc.) and how to sign up
 - e. An automated reminder if the customer doesn't sign up within a period
- The reminder can start with questions about tips in using the device, more advanced tips & tricks, product teasers, link to customer service in case of questions

The technical requirement to get a simple marketing automation process started does not have to include expensive platforms and systems. Sometimes it is a good idea to start small and to slowly build an understanding in the organisation what the benefits are for the customer experience with marketing automation.

In this case, Magento was chosen as the e-commerce platform because it is well-known, widely supported and used. Magento can be a cost efficient choice since its license options range from a free version to an enterprise edition. The technical specifications were that the new e-commerce platform should be responsive, have built-in campaign management, have an easy interface to update content and create custom landing pages, and have integration to other systems such as the company's back-end, CRM and ERP. A seamless integration with the chosen email marketing tool was important as well.

As an email marketing tool MailChimp was chosen for much of the same reasons as Magento. MailChimp has become one of the email marketing industry de facto standard email tools. MailChimp also comes as a free version but to remove the MailChimp logo a small fee has to be paid. The amount depends on the size of the contacts in the email database. MailChimp isn't yet a full blown marketing automation tool, but it has already features which can be used to trigger automated and segmented messages based on rules.

Because both tools are widely used there are plenty of third party tools to add extra features to the customer experience and marketing automation. The company is using Yotpo for product reviews that are also visible in Google searches as a star rating system to drive quality traffic and increase conversion. MageMonkey is used for the Mail-Chimp and Magento integration.

6 Conclusion

The purpose of this thesis was to study what Customer Experience Management (CEM) is about. I approached it by taking a look at concepts that are required to achieve a status of a functional CEM from a marketing point of view. I also studied tools and technologies that are essential to make CEM work.

As the work progressed, the more I realised that the topic of CRM and especially CEM is going through essential changes in terms of concepts that are required to master a modern, digital CEM strategy. Also the tools necessary to make the CEM strategy successful are going through a lot of fast paced technology development. Therefore the thesis topic turned out to be a rather complex one but I am quite confident that I got the essential concepts and tools in place especially from a marketing point of view. This feeling was confirmed when I attended and listened to Gartner senior analysts at Gartner ITExpo in Barcelona in 2015. All of the points of my thesis were covered in one form or another in conjunction with CEM or CRM.

In my thesis I am covering the most essential aspects of a successful CEM strategy but as the work progressed I realised that the approach has to be fine-tuned depending on the company's business and strategy.

As an outcome I could make suggestions regarding what concepts and tools to use when a company begins to plan and implement a CEM strategy. I also made real life examples in the form of use cases to show how to get started with different CEM concepts and tools.

As a final note I would like to state that companies who are not planning to take a CEM approach will have a hard time managing and succeeding in their business goals.

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Acronyms

CRM	Customer Relationship Management
CEM/CX	Customer Experience Management
sCRM	Social Customer Relationship Management
B2B	Business to business
B2C	Business to customer
IoT	Internet of things
M2M	Machine to machine
CLV	Customer lifetime value
KPI	Key Performance Indicator
RFID	Radio Frequency Identification
NFC	Near Field Communication
NPD	New product development
SaaS	Software as a Service
CMO	Chief marketing officer
CDO	Chief digital officer
ERP	Enterprise resource planning
SEO	Search engine optimization
SEM	Search engine marketing
WoM	Word of mouth